Daily Report

East Europe

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FBIS-EEU-93-182 *22 September 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

INTERNATIONAL AFFAIRS

Geneva Peace Talks May Resume Next Week *[TANJUG]* 1
Owen Says Muslims Hold Key to Peace *[AFP]* 1

ALBANIA

Ministry Says Greek Accusations 'Untruthful' *[Tirana Radio]* 2

BULGARIA

Daskalov Writes to Butrus-Ghali on Embargo Losses *[BTA]* 3
Tomov Examines Current Political Situation *[STANDART NEWS 15 Sep]* 3
Commentary on Aleksandrov's Handling of Corruption *[KONTINENT 18-19 Sep]* 4
Figures on August Unemployment Provided *[BTA]* 4
IAEA Team Inspects Nuclear Power Plant *[BTA]* 5
Data on Foreigners Residing in Republic Released *[BTA]* 5

CZECH REPUBLIC

Reaction to Yeltsin Decision To Dissolve Parliament 6
Government Statement *[CTK]* 6
Havel Supports Decision *[Prague Radio]* 6
Defense Minister Comments *[CTK]* 6
KCSM: Dissolution 'Inappropriate' *[CTK]* 6
Prime Minister Interviewed on Polish Elections *[Prague Radio]* 6
Foreign Minister on Ethnic Minority Issues *[CTK]* 7
Ruml Cites Crime Wave in Request for More Funds *[CTK]* 8
Monetary Development Outlined to Parliament *[CTK]* 8
Republic Bans Import, Export of Pigs, Pork *[CTK]* 9
Statistical Office Releases GDP Statistics *[CTK]* 9
Republic's Birthrate Declines to 70-Year Low *[CTK]* 9

SLOVAKIA

Meciar Discusses Journalistic Ethics *[CTK]* 10
Kovac Comments on Dam Dispute With Hungary *[CTK]* 10
Moravcik Briefs CSCE Experts on Minorities Policy *[Bratislava Radio]* 10

HUNGARY

Jeszenszky on Seriousness of Russian Crisis *[Budapest Radio]* 11
Minister's Moscow Visit 'Uncertain' *[Budapest Radio]* 11
Fur Submits Defense Bill to National Assembly *[Budapest Radio]* 11
'Minor Malfunction' Reported at Nuclear Station *[MTI]* 13

POLAND

SLD in Talks on Forming Left-Wing Government *[PAP]* 14
More on Coalition Talks *[Warsaw Radio]* 14
UD's Rokita Discusses Election Results *[Warsaw Radio]* 14
UP's Nalecz on Coalitions, Government, Russia *[Warsaw Radio]* 17

KPN Leader Says Party May Join Opposition *[PAP]* 19
SLD, PSL Big Winners in Senate Elections *[PAP]* 19
Walesa Says Leftists Without Moscow 'Not Dangerous' *[PAP]* 19
Foreign Investors Not Concerned About SLD Victory *[RZECZPOSPOLITA 21 September]* 20
Walesa Communique Voices Support for Yeltsin *[PAP]* 21

ROMANIA

Foreign Ministry Statement on Situation in Russia *[ROMPRES]* 22
President Interviewed on Economy, Foreign Ties *[Cairo AL-AHRAM 18 Sep]* 22
Vacaroiu Receives Czech Agriculture Minister Lux *[ROMPRES]* 24
Oancea, Lux Sign Accord *[ROMPRES]* 25
Danescu Signs Accord in Slovakia on Fighting Crime *[ROMPRES]* 25
Daily Warns of Soviet Union Reemergence *[EVENIMENTUL ZILEI 16 Sep]* 25
Unemployment Still Exceeds Million Mark *[ROMPRES]* 26

BALKAN CRISIS ROUNDUP

Foreign Media Bulletin: Balkan Crisis 22 September 27

BOSNIA-HERZEGOVINA

Muslims, Croats Differ Over Access to Adriatic *[TANJUG]* 28
Izetbegovic: Progress at Talks 'Very Modest' *[Sarajevo Radio]* 28
Demands More Territory *[TANJUG]* 29
Karadzic 'Discouraged' With Muslim Attitude *[Belgrade TV]* 29
Karadzic: Concessions 'More Than We Can Afford' *[Belgrade Radio]* 30
Karadzic Foresees 'Greater Serbian State' *[BORBA 20 September]* 30
Silajdzic Discusses Possible Division of Country *[TANJUG]* 32
NATO To Meet Mediators Over Partition Plan *[AFP]* 32
General Alarm Sounded in Sarajevo *[Sarajevo Radio]* 33
Croats Halt Muslim Offensive on Mostar *[Zagreb Radio]* 33
Army Lists Territorial Conquests Around Mostar *[Sarajevo Radio]* 33
Civilians Killed in Muslim Attack on Novi Travnik *[Zagreb Radio]* 33
Serbs Report Muslim Violations of Cease-Fire *[TANJUG]* 34
Proclamation of Autonomous West Bosnia 'Imminent' *[TANJUG]* 34
'State of Emergency' Reported *[TANJUG]* 34

CROATIA

Government: Adjust UNPROFOR Mandate or Withdraw *[AFP]* 35
Tudjman's Office Explains Reasons for Retaining Neum *[Zagreb Radio]* 35
Tudjman: Liberation of 'Occupied' Areas Key Task *[Zagreb Radio]* 35
Officials on Need To Free Occupied Territories *[Zagreb TV]* 36
Krajina's Hadzic Claims Osijek, Vinkovci *[AFP]* 37
UNPROFOR on Serb-Croat Demarcation Line *[TANJUG]* 37
Serbs Launch Shelling of Zadar *[Zagreb Radio]* 37

SLOVENIA

Parliament To Seek NATO Membership *[TANJUG]* 38
Jelincic Says Defense Ministry Behind Dismissal *[Ljubljana Radio]* 38
New Slovene Ambassadors Appointed *[DELO 2 Sep]* 38
Data on Ambassadors *[DELO 2 Sep]* 38

YUGOSLAVIA

Federal

Foreign Minister on Recognition of Macedonia *[TANJUG]* 40
Columns of Cars Bringing Oil From Hungary *[BORBA 23 Aug]* 40

Serbia

Kosovo Albanian Students Boycott School *[POLITIKA EKSPRES 20 Sep]* 41
Poll Shows Rising Popularity of Radical Party *[POLITIKA 18 Sep]* 42
Prime Minister Reports Soaring Inflation Curbed *[TANJUG]* 42
U.S. Congressman Accused of Lying About Talks *[NEDELJNA BORBA 18-19 Sep]* 43
Repairs in Power Plants, Coal Mines To Start *[BORBA 23 Aug]* 43

Montenegro

Lekic Says No Danger of Federation Splitting *[TANJUG]* 44

Geneva Peace Talks May Resume Next Week

LD2109211593 Belgrade TANJUG in English 2030 GMT 21 Sep 93

[Report by Natasa Ojdanic]

[Text] Geneva, Sept 21 (TANJUG)—International mediators on former Yugoslavia Lord Owen and Thorvald Stoltenberg might summon the leaders of Bosnia's three warring nations to Geneva in mid-next week to sign a peace accord, TANJUG learns from well-informed sources close to the conference on former Yugoslavia.

Diplomats at U.N. headquarters in Geneva see as positive the latest change in the position of the Bosnian Moslems and indicate that their leader Alija Izetbegovic may try to induce the national parliament to support every accord on Monday [20 September].

Summing up the Monday meeting of Bosnia's belligerents and international mediators on board the British aircraft carrier The Invincible in the Adriatic Sea, Lord Owen said that some corrections had been made in the original accord, in the part where it referred to the division of Bosnia into three ethnic mini-states—for its Moslems, Serbs and Croats—which indicated that the talks were moving slowly towards peace.

Some doubts still exist, mainly about the question whether the concessions made by the Serbs and the Croats to the Moslems are sufficient now for the Moslem parliament to approve the Geneva package at its session on Monday.

Most observers at Geneva's Palais des Nations do not rule out the possibility of more surprises from the Moslems, in view of their standard practice at the conference table to date.

The Moslem leadership might try again, at the U.N. General Assembly which has just opened session, to win the support of a part of the international community for its demands.

Izetbegovic, who has recently announced his imminent arrival in New York, has every reason to attend the session, because the question of Bosnia-Herzegovina is on the agenda paper of the general debate, said a diplomat who preferred to remain anonymous. He explained that Izetbegovic was stalling for time.

Owen Says Muslims Hold Key to Peace

AU2209102293 Paris AFP in English 0951 GMT 22 Sep 93

[Text] Brussels, Sept 22 (AFP)—Bosnia's Moslem parliament and people hold the key to a peace plan for their war-torn republic, European Community negotiator David Owen said here Wednesday [22 September].

Speaking on his arrival at NATO headquarters, he said: "I really do fear for the future of peace. It must be their choice but it is very hard to see the negotiating process getting very much further in the immediate future."

Owen and his U.N. co-chairman at the Bosnia peace talks, Thorvald Stoltenberg, held talks with political and military officials of NATO to discuss the alliance's role in implementing an eventual peace plan for Bosnia.

Stoltenberg said: "We've never been closer to a peace agreement."

The two men met ambassadors from NATO's 16 member countries, along with the secretary-general of the alliance, Manfred Woerner, and the head of its military committee, Field Marshall Sir Richard Vincent.

The ambassadors were studying preliminary plans for the North Atlantic Treaty Organisation (NATO) to send up to 50,000 troops—half of them American—to Bosnia following the signature of a peace plan, officials said.

Owen told journalists: "NATO now is at a very important stage in its planning for working with the United Nations on the implementation of a peace plan.

"As to whether or not the peace plan is going to be accepted now, that really lies in the hands of the Bosnian Moslem people and their assembly which meets on Monday," he said.

The E.C. negotiator added that Bosnian Moslem President Alija Izetbegovic had given indications to the Serbs that he was ready to continue negotiating in the meantime on an exchange of territory.

Ministry Says Greek Accusations 'Untruthful'

AU2109194993 Tirana Radio Tirana Network in Albanian 1330 GMT 21 Sep 93

["Statement by the Spokesman of the Ministry of Foreign Affairs"]

[Excerpts] At a time when the new Albanian state has given and continues to give evidence of its commitment to respecting all the rights of the Greek minority in Albania in conformity with international standards; at a time when, for the first time ever a chair of Greek Language and Literature has been established at Gjirokaster University, the Greek Foreign Ministry and the Greek Government, in two consecutive statements, have accused the Albanian authorities of supposedly issuing orders banning and closing down the schools of the Greek minority.

The spokesman of the Ministry of Foreign Affairs is authorized to reject the official statements of the Greek side as being completely untruthful and without any foundations whatsoever.

The Albanian authorities, namely the Ministry of Education, have in no way issued any of these orders, which allegedly order the closing down of schools for the Greek minority.

The Greek minority in Albania enjoys the right of education in the mother tongue, in full conformity with all international standards. In fact, this minority enjoys the privilege of having schools even in those areas where the minimal number of pupils needed to establish a school does not exist. [passage omitted]

Gjirokaster District has 43 schools for the Greek minority, of which 21 are elementary schools and 22 are eight-year schools. A secondary teacher-training college trains teachers for the Greek minority schools in the city of Gjirokaster, in addition to the said chair of Greek Language and Literature at Gjirokaster University.

In the Sarande district, there are 18 Greek language schools: two elementary schools and 16 eight-year schools, with a total of 1,634 pupils.

Twelve schools operate in the Delvine district, of which two are elementary and 10 others are eight-year schools, with a total of 1,322 pupils.

It is hardly possible to find in Albania schools with only three or four Albanian pupils, whereas the Albanian state operates schools for that number of Greek pupils at a time when it is confronted with an unfavorable economic situation owing to the period of transition.

The statements issued by the Greek Ministry of Foreign Affairs and the Greek Government not only fail to reflect reality, but also create a dangerous precedent in artificially raising a nonexistent issue in bilateral relations, thus providing further evidence of their lack of a spirit of cooperation and dialogue and desire to raise artificial tensions within the context of the so-called Greek concern for the Greek minority. [passage omitted]

Compared with the Albanian position on the treatment of minorities, the Greek attitude in this respect leaves a lot to be desired. In Greece there is no talk about educational rights for minorities, whose existence is totally denied by the Greek Government in the most absurd manner. The Greek Government in fact closes the doors of its schools even to children of the Greek minority in Albania who have emigrated to Greece.

This clamorous raising of an inexistent problem in the belief that something will stick if a lie is repeated often enough, and the Greek effort to keep up the tension, more than any desire to protect the Greek minority rights, is intended to keep alive Mitsotakis's declaration and its anti-Albanian substance, in the service of the Great Idea [previous two words in Greek—Megalo Idheja] and ancient and dangerous alliances in the region.

Daskalov Writes to Butrus-Ghali on Embargo Losses

AU2109184993 Sofia BTA in English 1804 GMT 21 Sep 93

[Text] Sofia, September 21 (BTA)—Bulgarian Foreign Minister Stanislav Daskalov sent a letter to UN Secretary General Butrus Butrus-Ghali setting forth the priorities of the Bulgarian delegation to the 48th session of the UN General Assembly, the Bulgarian Foreign Ministry said today.

The letter stresses the need for the international community to focus special attention on the extremely grave consequences for Bulgaria of the strict implementation of the UN Security Council sanctions on the Federal Republic of Yugoslavia (Serbia and Montenegro). The letter expresses a hope that the sympathy and understanding for Bulgaria's difficulties by international institutions, world political leaders and international media will materialize in real practical assistance for this country.

Mr. Daskalov asks the UN secretary general for cooperation in receiving information from the World Bank, the International Monetary Fund, the UN Development Programme and the European Bank for Reconstruction and Development on their assessment of the sanctions' adverse impact on the Bulgarian economy and their proposals on the ways and means to overcome Bulgaria's special economic difficulties, in keeping with the UN Security Council Sanctions Committee's July 2 1993 recommendation on assistance to Bulgaria.

The letter further on emphasizes Bulgaria's hope that the session will continue the constructive discussion of issues of key importance for Bulgaria. It cites issues related to the need for the interrelation of rights and responsibilities under Chapter Seven of the UN Charter, which treats the adoption of coercive measures in cases of threats to world peace and security. Bulgaria attaches a special importance to the establishment of an adequate mechanism to overcome the adverse impact on third countries of sanctions imposed by the UN Security Council. This country expects a substantial improvement in the work of the UN Security Council Committee on the Sanctions against the Federal Republic of Yugoslavia and a speed-up of procedures in considering import and transit requests by Bulgarian firms, fully consistent with the sanctions regime, the Bulgarian foreign minister emphasizes in his letter.

Leading a delegation to the political consultations of foreign ministers of EC member countries and the six central and Eastern European states, Mr. Daskalov raised in Brussels the same issues and the problem of the prompt entry into force of the temporary agreement on trade between Bulgaria and the EC.

Mr. Daskalov met with Sir Leon Brittan, vice president of the Commission of European Communities and external economic affairs and trade commissioner, with NATO Secretary General Manfred Woerner and Czech Foreign Minister Zelenjec.

Later on the Bulgarian foreign minister leaves for New York to attend the session of the UN General Assembly.

Tomov Examines Current Political Situation

AU2009170993 Sofia STANDART NEWS in Bulgarian 15 Sep 93 p 11

[Interview with Aleksandur Tomov, cochairman of the Civil Alliance for the Republic [GOR], by Tatyana Vasileva; place and date not given: "The Bulgarian Socialist Party [BSP] and the Union of Democratic Forces [SDS] Cannot Accomplish Anything Useful for Bulgaria, Due to Their Controversial Past"]

[Excerpts] [Vasileva] Mr. Tomov, how do you assess the coincidence in the positions of Zhan Videnov and Filip Dimitrov on the fact that the restoration of the previous parliamentary majority in Bulgaria is opposed to Bulgaria's interests?

[Tomov] The idea of restoring the previous majority was launched by the president in order to get things going within the SDS and was aimed at forcing an internal change within the coalition. It is no secret, however, that the restoration of the old parliamentary majority is impossible, as long as Filip Dimitrov is not removed from the SDS leadership. GOR has always manifested the necessary tolerance towards such processes, because we regard them as SDS internal party problems. However, I do not understand how some Bulgarian politicians are totally incapable of abstaining from disputes and rows even for a month. Prof. Berov's cabinet is far from ideal, but I ask myself the question: How could one demand a change of government, before we have adopted the bills on taxation, on the value-added tax, on bankruptcy and bad credit, the new police legislation, and additional measures on land restitution, especially under the current circumstances with the embargo, which is particularly hard for our country?

[Vasileva] Nevertheless, would you not admit that the present parliamentary majority is barely functioning?

[Tomov] This is, precisely, the question. If the aforementioned statements of the two major party leaders are followed by relevant actions by some parliamentary groups, the parliament will almost definitely collapse. Naturally, as the president says, there is still a chance for the roulette to turn around once more and for a new government to emerge.... Nevertheless, even if the most competent professionals should become members of such a government, they are hardly likely to master the problems all at once. Hence, let us first solve the country's most urgent problems; let us survive this winter, after which we can start with new elections and a new cabinet. Whatever political change should take place in the country today, it cannot eliminate the fact that there will be no money for pensions next month; that the level

of budget revenues, compared with the gross national product, is the lowest in Europe; that minimal resources for education and the Army are lacking. A little bit of statesmanship and sense of responsibility is required to rule this country. Everything cannot be achieved with endless games and manipulations. Life is not a game of chess. I do not deny that as soon as a new parliamentary majority can be formed, it should be entitled to set up its own cabinet, but Bulgaria must solve its practical problems first. Hence, GOR calls for one thing only—namely that the country's urgent problems be resolved and that we properly prepare for the next elections at the same time. I am afraid that if elections are held without the appropriate preparation, we shall once again relapse into a "no win" situation, under which none of the parties is likely to obtain a majority, and which, in turn, is likely to result in endless, painful negotiations. In the event of of a severe economic crisis, this is likely to entail numerous difficulties of historical dimensions, under which Bulgaria will finally be relegated to the periphery of Europe.

[Vasileva] Does GOR hope for the support of reliable allies in the parliament?

[Tomov] This will be definitely decided at GOR's First National Conference, scheduled to take place on 23 and 24 October. The opinions of our members differ on the question, but I am one of those who prefer a realistic and more sensible approach to politics. We should not participate in coalitions just for the sake of petty political bargains. On the contrary, I am convinced that a "majority" created on the basis of personal friendships is mere delusion in a Balkan state such as ours. I have already heard several opinions on the question, hence I do not believe in a new alliance between people from the New Alliance For Democracy [NSD] and the SDS. They are threatening each other with prison, and over the last year and a half the gap between them became so deep that even if the old majority should be restored people would not trust it. [passage omitted]

[Vasileva] The latest public opinion polls describe GOR as a small party with a 2 percent electorate. What do you expect to happen at the First National Conference?

[Tomov] I saw another "Gallup" poll showing that the alliance would obtain 15 percent of the votes, but that many people do not know what GOR means. This is an optimistic forecast, because we defined the first four months of our existence as a preparatory period, and decided to "remain in the shadows" until at least 23 October 1993.

[Vasileva] Are you not afraid that GOR's decision to declare itself a party will provoke controversies among the very supporters of the alliance?

[Tomov] We shall not transgress the framework of the movement and we do not intend to establish a traditional party. The question expected to be discussed at the conference, however, is whether GOR should register on the basis of the Act on the Formation of Political Parties. There will be no debate on the composition of our organization. GOR will be an alliance. Only a few of our supporters insist that we turn into a party with typical, rigid forms of organization. As far as I am concerned, I am convinced that this would be a mistake.

Commentary on Aleksandrov's Handling of Corruption

AU2109140593 Sofia KONTINENT in Bulgarian 18-19 Sep 93 p 6

[Commentary by Genka Markova: "Informants Against Corruption"]

[Text] Finance Minister Stoyan Aleksandrov publicly confessed his tremendous disappointment with the fact that not even one customs official was ready to act as an informant on the spreading corruption. This calls for the following conclusion: The fact that no one has volunteered to denounce corruption cases in the relevant sector shows that the extent of corruption must be enormous in that sphere and swallows the largest portion of the budget.

Even if his emotional outbursts might seem justified, the minister should try to prevent a new disappointment. Witnesses claim that the extent of corruption in the tax inspectorate exceeds all imagination. Only the initial "fee" for a tax inspector of average rank amounts to something between 10,000 and 20,000 leva, in exchange for postponing his visit to a given company by one or two months. The minister could easily figure out that bribes for more profitable business deals are likely to be considerably more substantial.

As former chief of the "Taxation" Department Stoyan Aleksandrov is presumably aware of what is happening behind the scene, but only today, as a minister, he publicly admitted how much his hands are tied in cases of corruption. Nevertheless, it is high time to understand that using civil servants of the lower echelons as informants is not the most effective method of combating corruption. As long as parliament has not passed a legal act on corruption, the minister's titanic efforts in combating this great evil will rather resemble the tortures of Tantalus, while the parliamentary commission is likely to assume the role of the Greek chorus in the contemporary tragedy of the budget.

Figures on August Unemployment Provided

AU2109121593 Sofia BTA in English 1135 GMT 21 Sep 93

[Text] Sofia, September 21 (BTA)—The number of registered unemployed was 603,040 at the end of August, according to information of the National Employment Service. This jobless total is 7,286 down from the previous month. At present, 15.96 per cent of Bulgaria's labour force is unemployed.

The production sector continues to sustain the largest number of job losses. Most people (6,117) were made

redundant in industry, followed by agriculture (3,150), financial and business services (20), and communications (33).

Most unemployed (51.2 per cent) are unskilled workers, primary-school graduates. 4.44 per cent of those registered by the employment offices are under 30 years of age.

There were 10,862 job vacancies in August, 1,000 up from July. One of three required a university decree.

Entitlement to welfare benefits will cease for 178,059 unemployed in august. The minimum monthly benefit is 1,343 leva (about 50 us dollars). 189 million leva were paid in August in welfare benefits, and another 300,000 leva for training and retraining.

The employment offices have found work for 5,421 people.

IAEA Team Inspects Nuclear Power Plant

AU2009171193 Sofia BTA in English 1440 GMT 20 Sep 93

[Text] Kozloduy, September 20 (BTA)—A two-week asset mission of the International Atomic Energy Agency (IAEA) was opened today at the information center of the Kozloduy Nuclear Power Plant (on the Danube). The mission's head Mr. Ugo Banga introduced the team of French, British, Japanese and U.S. experts and expressed his satisfaction with the preliminary work done by the hosts. He appreciated highly the detailed reports on the events—accidents and incidents at the four old generating units. The aim of the mission is to check the implementation of the recommendations of last year's asset mission, to analyze all accidents which occurred at the four generating units and consider their operation safety. Having analyzed the causes of the unsolved problems, the mission will propose measures for improving the nuclear and operation safety of the generating units.

Only generating unit one is being overhauled under the reconstruction and updating programme. Generating unit two is operating at 95 per cent of its 440 megawatt capacity and generating unit three and four are operating at 55 per cent of their 440 megawatt capacity. Their power will be increased after the forthcoming switch-off of the 1,000 megawatt generating Unit Five.

Data on Foreigners Residing in Republic Released

AU2109121793 Sofia BTA in English 1129 GMT 21 Sep 93

[Text] Sofia, September 21 (BTA)—42,760 foreign citizens are currently residing in Sofia according to the "Passport and Visa" Department of the Sofia Directorate of the Interior. They have been issued official temporary or permanent residence permits.

Greeks are the most numerous group among those residing temporarily in Bulgaria and they number 3,000. 2,600 of them are university students and the remaining are businessmen. They are followed by the Syrians—1,320. About 800 of them are businessmen and the remaining are students. Third come the Chinese—900, only 100 of them being university students. Then come the Lebanese citizens and citizens of the former Soviet Union.

Since the beginning of 1993 the Passport and Visa Department has registered and sanctioned 4,396 foreigners for violating the immigration regulations. About 1.8 million leva ($70,000) have been collected in fines for overstayed visas. The revenues from fees for extending visas amount to 21 million leva.

Fifty foreign citizens have been expelled since the beginning of this year and 169 have been warned to leave Bulgaria. According to the chief of the service, Major Ivan Sirakov, one-tenth of those expelled have passed through Bulgarian prisons or have criminal records. So far not a single embassy has paid the expenditures for the return of their nationals. Illegal immigrants do not exceed 1,000 in Sofia.

More than 170,000 foreigners have visited Sofia as tourists or on business trips since the beginning of this year.

Reaction to Yeltsin Decision To Dissolve Parliament

Government Statement

LD2209105093 Prague CTK in English 1035 GMT 22 Sep 93

[Text] Prague, Sept 22 (CTK)—The Czech Government has voiced the conviction that the forces surrounding Russian President Boris Yeltsin and striving to push economic and political reform through in Russia will manage to stabilise the situation and to bring Russia to democratic elections as soon as possible, Czech Premier's Spokeswoman Klara Pospisilova told CTK today.

The Czech Government is aware that the latest events in Russia are part of the difficult transition from communism to democracy. The latest developments of this process in Russia have acquired a far more complicate and painful form than in other post-communist countries, the government declares.

At its session today, attended by Czech President Vaclav havel, the government heard a report on the urgent situation in Russia made by Czech Foreign Minister Josef Zieleniec.

Havel Supports Decision

LD2109221693 Prague Radiozurnal Radio Network in Czech 2200 GMT 21 Sep 93

[Text] Czech Republic President Vaclav Havel has expressed full understanding of the decision of Russian President Boris Yeltsin to dissolve the parliament and the congress of people's deputies.

Presidential Spokesman Ladislav Spacek said that Vaclav Havel is convinced that the Russian president has been guided by the intention to solve the constitutional and political crisis in the country.

Defense Minister Comments

LD2209072393 Prague CTK in English 0618 GMT 22 Sep 93

[Text] Prague, Sept 22 (CTK)—The situation in Russia, where President Yeltsin has dissolved parliament, should not be dramatised or exaggerated, Czech Defence Minister Antonin Baudys told Czech television last night.

The Russian Army and the security forces so far are standing to one side and are seeing only to peace and order. The army is just protecting strategic places, depots etc. So long as the armed forces do not intervene, Baudys believes a normal development can be expected.

Baudys said he assumed the strategic places were nuclear weapons bases and felt there was no risk of their being used.

When asked whether subordinates might usurp control from the Russian Defence Minister Grachov, Baudys answered: We too were in that situation in 1989. No one could be sure if the army would intervene or not. We overcame the situation and I firmly believe that it will be overcome in Russia as well.

Baudys said the events do not call for any special measures.

KCSM: Dissolution 'Inappropriate'

LD2209073793 Prague CTK in English 1944 GMT 21 Sep 93

[Text] Prague, Sept 21 (CTK)—The decision of Russian President Boris Yeltsin tonight to dissolve both the parliament and superparliament, was not a completely appropriate step, which rather contravenes the democratic principles of social life, representatives of the Communist Party of Bohemia and Moravia (KSCM) said today.

The KSCM leadership fully respects the principles of constitutionality, not only in the internal political life, but also as a general principle to be applied in relations between individual state bodies, says a KSCM statement given to CTK by the party's chairman Miroslav Grebenicek.

Prime Minister Interviewed on Polish Elections

LD2209001393 Prague Radiozurnal Radio Network in Czech 1620 GMT 21 Sep 93

[Interview with Prime Minister Vaclav Klaus by Vaclav Musilek and Katerina Kasparova on 21 September; place not given—live or recorded]

[Excerpts] [Kasparova] Much has been said over the last few days about parliamentary elections in Poland on 19 September. But let's consider this event purely through our own viewpoint.

Prime minister, what will be our attitude now toward Poland, to whom we have been relatively close so far?

[Klaus] I do not expect any fundamental change in our attitude to this neighbor. I think that our coexistence and cooperation with Poland should be good. I am confident this state of affairs will not be upset at all.

Poland is a peculiar case. I think that, in comparison to our country, the low election turnout is a very peculiar factor. It indicates Polish citizens' great lack of interest in the elections; this is not typical for the Czech Republic. I believe our citizens' interest in our country's elections and politics did not drop. I also believe there is no danger of it happening either.

[Kasparova] Is there a chance our country could face a similar danger of a political reversal as the one that took place in Poland? In our country, there are and will be opponents and, say, even social victims of reforms. Thanks to these reforms the left has just won in Poland.

[Klaus] I am not sure whether the left won because of the reforms. Indeed, I do not think that the left won because of the way Polish society and economy had been shaping up, although this process differs from that in our country. Let's not forget that our peculiar socialism in the eighties had actually functioned in its own way, although all of us know how it happened. But no huge upheavals, changes, and reversals had occurred, despite the fact that socialism exhausted practically all of its options and was heading for an absolute deadlock in late eighties.

In Poland, from the rise of Solidarity throughout the eighties, Poles lived in a world ridden with upheavals and great economic stagnation, a world where prices used to go up by tens and hundreds of percent a year. So, this situation has lasted in Poland for almost 15 years; a Polish voter might be tired of it. Although I respect this fact, I do not think these are the things that matter. Indeed, what I can see is that the Polish left is consolidated in a different way than our left. Their leaders possess more political experience and wisdom, if you like. In Poland there is no right wing party without markedly catholic or nationalist orientation, or without orientation at extreme right wing policies. There is no normal right wing political party, and it is a terrible, terrible shame.

[Kasparova] On 19 September, however, the Poles were not the only ones who had elections. Our Western neighbors, specifically, the citizens of Hamburg federal land, took part in the land elections. At the expense of big traditional parties, mainly Christian and Social Democrats, right wing radicals gained votes. According to "General Anzeiger" [reference unknown] the usual election scheme, where a big opposition party scores points at the expense of a big ruling party, has become obsolete. In your view, can this trend increase and markedly influence German parliamentary elections, which will take place next year?

[Klaus] I think it can, but I would like to add the following: I would like to know whether this is some kind of an absolutely new trend, a new set of irreversible laws, almost like laws of physics, which simply say that at the end of this century, the standard political parties based on fundamental ideologies are beginning to fail and political parties based on a specific program are gaining power, or whether this is again a subjective failure, a certain fatigue of traditional political parties, a lack of new blood, of clear-cut programs.

I do not share the first explanation, that it is some kind of a general regularity. I share the second explanation. That is why I think it is only up to the politicians—this is not only valid for us, but also for Germany, for traditional parties—if they take this sufficiently into account and try to change it.

[Musilek] Prime minister, at the government session tomorrow you will be adjusting the draft state budget for next year. How much space did you leave in the draft budget for possible parliamentary adjustments? One can expect this year the budget will be much more scrutinized by the deputies than last year when the deputies mostly discussed constitutional bases of the Czech Republic.

[Klaus] Of course I respect the fact that it will be scrutinized by the deputies, and our aim is to persuade the parliament that it is sensible to have a budget with neither deficit nor surplus, but simply a balanced budget. [passage omitted]

We must explain this to the public as well as the deputies. I believe they will understand it, and then it can only be the question of transfers of millions. The deputies may say they want less for the army and more for the police, more for ecology and less for education. It is simply like this and cannot be otherwise.

[Musilek] Prime minister, the level of prices, according to available data, increased both in June and July by 0.7 percent, which, together with the growth of wages, brings about the danger of higher inflation. Apprehensions in this direction were expressed, for example, by Economics Minister Karel Dyba. He estimated this year's inflation could be up to 20 percent. Do you also share these apprehensions?

[Klaus] It is no news that this year's inflation, following the increase of prices caused by the introduction of a completely different tax system, will be roughly up to 20 percent. [passage omitted] The two price shifts, by 0.7 percent, were more than I would have wished and more than the two previous months of April and May and the year's entire second quarter indicated. I hoped it would be under half a percent rather than over half a percent. This is a pity, and it means if we want a long-term inflation of 0.7 each month...[pauses] well, it is rather a lot. I wish it were less; we talked about this many times. There are many factors influencing this; the movement of wages as well as expediture is a very significant factor.

Foreign Minister on Ethnic Minority Issues

LD2109220993 Prague CTK in English 1705 GMT 21 Sep 93

[Text] Brussels, Sept 21 (CTK)—The Czech Republic along with other countries have stressed that Europe's modern political tradition rests on two pillars - democracy and market economy, and that to add a third one - the rights of ethnic minorities - would complicate the situation, Josef Zieleniec said today.

Zieleniec, Czech foreign minister, said that this did not mean that those, who expressed this view in the discussion at a meeting of the foreign ministers from the EC countries and their partners from six central and east European countries, would dissociate themselves from the rights of ethnic minorities. They pointed to the direct relationship between democracy, the rights of the individual and the rights of minorities.

But not all countries share this view, Zieleniec said. Mainly those, whose ethnic minorities live outside the mother country's borders, are trying to introduce in European politics a system that would define the minorities' rights more emphatically and that would provide international guarantees of the rights, he said.

Zieleniec said he found the discussion most interesting.

He pointed out that almost all central and east European participants in today's meeting explicitly supported the Czech Republic's candidacy for a non-permanent membership of the U.N. Security Council. The other participants expressed implicit, unofficial support, he added.

Slovak Foreign Minister Jozef Moravcik also found the discussion on the rights of ethnic minorities most interesting.

A strong hungarian minority lives in Slovakia. A majority of the 600,000 ethnic Hungarians, who represent almost 12 per cent of the country's total population, live mainly in the south, along the Hungarian border.

Zieleniec today met with his Danish counterpart Helveg Peterssen. They discussed general questions of central European countries' integration into the EC and preparations of Peterssen's visit to Prague at the beginning of next year.

Zieleniec also met with Moravcik. They discussed mainly completion of a technical agreement on the introduction of a standard international regime on the Czech-Slovak border.

Tonight, Zieleniec ended his visit to Brussels and left for home.

Ruml Cites Crime Wave in Request for More Funds

AU2009120193 Prague CTK in English 1924 GMT 16 Sep 93

[Text] Prague Sep 16 (CTK)—Czechs have reached a watershed in their fight against crime, Interior Minister Jan Ruml told deputies today, arguing the case for more funds.

They could follow the course taken by democratic countries, where the police receive sufficient psychological and financial support, he said.

Unless the current amount of crime in this country is taken into account, we will be headed for chaos and anarchy, he added.

The understaffed police cannot cope with the current crime wave, with the result that the percentage of solved crimes has been plummeting and seems set to fall faster and faster. Unless the situation in the Police Force improves dramatically, Ruml continued.

The number of stolen vehicles has almost doubled since 1991, but the value of stolen goods has shot up 14 times since 1988 and is being predicted to reach 10 billion crowns (340 million USD) over January to September of 1994 if the pattern remains unchanged, Ruml reported.

The detection of business crime, which has been thriving beyond all limits, is directly proportionate to the quality of technical equipment at the disposal of the police, he said.

Organised crime, previously non-existent here, displays all its typical features. It operates on an international basis, and it is efficient and highly technical. Gangs resort to every sort of illegal practice including corruption, blackmail, threats, and brutal violence, Ruml went on.

Every possible type of mafia has been recorded in steadily growing numbers.

Nine out of ten migrant foreigners, (another worrisome factor—Ed.) enter this country legally from Slovakia, Ruml noted, saying that, during the first six months of this year, 25,100 migrants, or 99 percent of the total, tried to illegally cross the Czech border into Germany and Austria.

Poles, ex-Yugoslavs, Germans and Romanians are most frequently found among the foreign criminals in this country, Ruml observed.

Foreigners have lately been actively pursuing the right of residence in the Czech Republic.

Over 100,000 foreigners are currently residing here, 2.5 times more than by the end of 1992.

People in the West, in spite of high crime rates there, feel safer than inhabitants of the former communist countries, Ruml ventured.

It is nonetheless obvious that there is a limit as to what the police can do. The Interior Ministry's budget is the key factor in dealing with the situation, Ruml concluded.

Monetary Development Outlined to Parliament

AU2009110293 Prague CTK in English 1720 GMT 16 Sep 93

[Text] Prague Sep 16 (CTK)—The current gross reserves of the entire banking sector in the Czech Republic amount to 5.6 billion Czech crowns (some 190 billion USD), Czech National Bank (CNB) Governor Josef Tosovsky told parliament today.

The level was a record which had never been reached during the existence of the Czechoslovak Federation, he added.

Tosovsky, who acquainted parliament with the results of monetary development in the first half of this year, said that CNB's gross hard currency reserves now amounted to 3.1 billion USD.

Tosovsky described CNB's monetary policy in the first four months of this year as somewhat cautious and anti-inflationary.

In order to maintain present basic macro-economic tendencies and continue to make use of some instruments of economic policy, especially the exchange rate policy, we must be far more careful and bring inflation under ten percent next year, Tosovsky said.

He said the problem of old debts inherited from the past has not yet been settled in the Czech economy. The phenomenon of enterprises' insolvency and little financial discipline was a persistent factor, he added.

It was beginning to be evident that economic adaptation, consolidation and restructuring would be a long-term, rather than a short-term process as some Czech economists had perhaps thought, Tosovsky said.

Republic Bans Import, Export of Pigs, Pork

AU2109135593 Prague CTK in English 1541 GMT 17 Sep 93

[Text] Prague, Sep 17 (CTK)—The State Veterinary Board of the Czech Republic has banned exports and imports of live pigs and their meat, board's director Antonin Kozak told CTK today.

He said that the ban effective as of today is valid on the entire Czech Republic's territory.

The State Veterinary Board is prolonging the validity of the existing measures aimed to protect the Czech Republic against swine-fever, under which 18 districts bordering Germany have been ordered to increase control over herds at risk.

The International Infection Office registered 77 centers of swine fever infection in Germany by September 3 and new centers of infection were discovered in the German states of Baden-Wuerttemberg, Lower Saxony and Mecklenburg. Infection in these cases was passed on by pigs, means of transport and kitchen waste. New centers of infection were reported in Latvia where 390 pigs were infected. In Portugal, two centers of infection of African swine-fever were reported affecting 673 animals.

[Prague LIDOVE NOVINY in Czech on 18 September on page 8 carries a 200-word CTK report on the above decision, which notes that the ban applies to the "transit and import" of pigs and pork, rather than to their "export and import."]

Statistical Office Releases GDP Statistics

LD2109230293 Prague CTK in English 1857 GMT 21 Sep 93

[Text] Prague, Sept 21 (CTK)—The Czech Republic's Gross Domestic Product in constant prices grew by one per cent in each of the second half of last year and the first half of this year, says a report by the Czech Statistical Office (CSU) released today.

GDP reached in the first quarter of this year its lowest level since the beginning of 1990 - 94.6 billion crowns (about 3.2 billion USD, 71 per cent of the last quarter of 1990). In the second quarter of this year it had risen to 97.5 billion crowns, exceeding the value of the first half of last year.

GDP in constant 1984 prices last year reached 401.5 billion crowns, representing 78.7 per cent of 1989's value. It was previously, in the years 1987 to 1991, at 478, 487.8, 509.9, 503.7 and 432.1 billion crowns.

In the period from the beginning of 1990, the biggest quarterly decreases were registered in the second quarter of 1991 (13.5 per cent) and the first quarter of this year (9.6 per cent). The greatest growth was shown in the third quarter of last year (7.7 per cent) and in the last quarter of 1991 (6.1 per cent). The growth in the second quarter of this year was 3.1 per cent.

Consumption by households reached its highest value in 1990 (253.2 billion crowns) and its lowest in 1991 (192.7 billion crowns). Last year it reached 214.1 billion crowns, i.e. 84.6 per cent of the 1990 value.

Government spending was highest in 1990 (103.4 billion crowns) and lowest in 1992 (72.5 billion crowns). Spending out of GDP on fixed assets was highest in 1989 (139.8 billion crowns) and lowest in 1991 (112.6 billion crowns). Last year it was 116.9 billion crowns. Reserves increased in 1991 by 16.6 billion crowns and fell 8 billion last year.

Republic's Birthrate Declines to 70-Year Low

AU2009115793 Prague CTK in English 2140 GMT 16 Sep 93

[Text] Prague Sep 16 (CTK)—The birthrate dropped to a 70-year low in 1992, with only 122,000 children born, Health Minister Ludek Rubas told CTK today.

Second lowest figure during this period was in 1960, when 130,000 children were born.

The most fertile year for Czechs was 1922 with 256,000 births, followed by 208,000 in 1946.

There is evidence that the birthrate follows a cycle of 25-28 years, Rubas said, adding that the coming years will see it on the increase again.

Past attempts to improve birthrate using financial incentives policy have not always been a success, he said, adding, however, that the government policy of increased child allowances would be maintained, along with an extended maternity leave and maternity subsidies.

A strict ban on abortion is in no way effective in bringing the birthrate up again, Rubas stressed.

Meciar Discusses Journalistic Ethics

AU2109122193 Prague CTK in English 2039 GMT 19 Sep 93

[Text] Bratislava Sep 19 (CTK)—The right to freely circulate information is not merely a matter of television, radio and newspapers. It is a fundamental right of a citizen as well, Slovak Premier Vladimir Meciar said today in his regular televised interview.

He pointed to negative and mostly derisive reactions to his remarks on ethics and self-regulation a year ago. I hope that with an international document, the reaction will be different, Meciar said. He noted that he had received a Council of Europe resolution concerning the rights and obligations of journalists, and ethics in journalism.

The premier said that according to the document, a news item and a journalist's personal view should be distinguished. A view should always respect the presumption of innocence and should be published in an ethical manner.

Meciar also mentioned the growth of retail prices. He said that the government was not able to influence the majority of them as they were frequently influenced by local taxes and surcharges.

During today's ten-minute televised address Meciar for the first time used notes.

Kovac Comments on Dam Dispute With Hungary

AU2109151893 Prague CTK in English 1311 GMT 17 Sep 93

[Text] Gabcikovo, south Slovakia, Sep 17 (CTK)—Slovak President Michal Kovac said today he was not going to interfere personally in the Slovak-Hungarian dialogue on the Gabcikovo hydroproject on the Danube.

During today's trip by boat to Gabcikovo, which he made along with invited diplomats and foreign journalists, Kovac told CTK that dialogue of experts on the issue required a suitable political atmosphere to the creation of which he wanted to contribute.

The goal of the trip, organized by the Slovak Presidential Office, is to provide more objective information on the hydroproject, Kovac said.

He dismissed speculation that the government had renounced responsibility for the project. On the contrary, the government was creating conditions for foreign capital investment to Gabcikovo, he added.

Julius Binder, director of the Vodohospodarska Vystavba enterprise, which is responsible for Gabcikovo construction, said that four billion crowns (about 150 million USD) were needed at the moment.

Binder said that Italian, German, and British investors had shown the greatest interest in investment.

[Bratislava PRAVDA in Slovak on 18 September on page 2 carries a 400-word TA SR report on President Kovac's boat trip to Gabcikovo, which includes the following passage: "Speaking about the hydroelectric power project, Michal Kovac expressed the view that it will be necessary to create 'a certain political atmosphere,' which will require patient work and serious negotiations. 'The efforts in this direction on the Slovak part and, as I am able to state with pleasure, also on the Hungarian part continue and steps are being taken that should improve the political atmosphere.' As for the Hungarian side, the president continued, it is necessary to proceed from the resolution of the Hungarian Parliament, which placed the government under the obligation to act in a certain way. 'It is not realistic to expect any fundamental solution as long as this resolution is not changed, or, until new elections are held and we find out what sort of a policy will be implemented in this area and toward Slovakia in general,' Michal Kovac stressed."]

Moravcik Briefs CSCE Experts on Minorities Policy

LD2009213793 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 20 Sep 93

[Text] Foreign Minister Jozef Moravcik received an independent group of experts attached to the CSCE High Commissioner for Minorities in Bratislava today.

Moravcik briefed the experts on the Slovak Government's policy on relations between nationalities in Slovakia. He emphasized that the policy is governed by the principle of consistently implementing all international obligations relating to the issue, as well as preserving the traditionally good coexistence of minorities.

Moravcik also assured the experts that the required legislative amendments relating to the use of [non-Slovak] first names and family names and to village names and signposts will be adopted by the deadline set for them.

Jeszenszky on Seriousness of Russian Crisis

LD2209074293 Budapest Kossuth Radio Network in Hungarian 0700 GMT 22 Sep 93

[Text] According to the Hungarian foreign minister, the latest developments in Russia could be expected. Geza Jeszenszky, who as recently as Monday was still holding negotiations in Moscow, has told NEPSZABADSAG that he sensed the threat of the Russian crisis deepening even from the assessment of the country's leaders and the Hungarian Embassy.

The foreign minister believes that a very serious, lasting crisis threatens Russia if the leaders in Moscow do not resolve the bipolar nature of presidential and parliamentary powers.

Minister's Moscow Visit 'Uncertain'

LD2209083393 Budapest Kossuth Radio Network in Hungarian 0800 GMT 22 Sep 93

[Text] The Hungarian-Slovak defense ministerial meeting, scheduled for early next week, has been postponed. Imrich Andrejcak will not come to Budapest because, as a result of problems in coordinating the text, the bilateral military agreement which was to have been signed at the meeting is not yet ready.

Owing to the internal political crisis in Russia, [Defense Minister] Lajos Fur's visit there, scheduled for the end of next week, has also become uncertain. According to the plans, the Hungarian defense minister was to hold negotiations with Pavel Grachev but since then the Russian parliament has tried to dismiss the army general.

Fur Submits Defense Bill to National Assembly

LD2109152893 Budapest Kossuth Radio Network in Hungarian 0845 GMT 21 Sep 93

[Speech by Defense Minister Lajor Fur at Hungarian National Assembly in Budapest—live]

[Excerpts] Esteemed National Assembly: Four years after being elected we have arrived at the point that after almost three years of preparation the National Assembly is able to put a bill on the agenda, which has been anticipated with great interest. Thus it means that after the basic principles on defense were accepted in April, the National Assembly is dealing with the matter of defense for a second time. Nothing less is now on the agenda than providing the harmony of constitutional rights and duties related to the defense of the country by this law. We must create a law by which we will lay down the legal grounds of warranting our regained independece. [passage omitted]

It is necessary to create a radically new defense law, which will be followed by a law on the legal position of soldiers, the new regulations of military service, and later, regulations of a lower level.

There is no question that defense principles have to be reflected in the defense law, too. We do not just say, but we act in the spirit that we do not consider any country our enemy and we do not threaten anyone. We respect other countries' rightful interests to security. Our policy of sustaining our defense capacity is based on the principles of deterrence and defense. At the same time, the changing and transforming of property relations and the gradual creation of a market economy make it necessary to reformulate the system of bearing the defense burden. [passage omitted]

When working on the bill, our aim was to remain within the framework of the Constitution as much as possible. However, the new demands will make it necessary to slightly amend the Constitution. The submitted proposal No. 8984 in front of us to amend the Constitution aims at this. This concerns the matter of unexpected attacks and the border guards.

We wish to create a modern and lasting law, thus, in the course of our work we have taken into consideration the relevant decrees of the Constitutional Court, Hungarian traditions, relevant experiences of the constitutional democracies, and the results of military science. [passage omitted]

It follows from the defense principles, too, that the main directions of the defense tasks, the size of the military forces, its division into forces, the main tendencies of military technology, and the provision of the necessary financial resources as the basic issues of defense, have to be given over to the authority of the highest state organ. The declaration of a state of emergency formulated in the Constitution, setting up a military council, and the employment of military forces abroad or within the country, together with the National Assembly authority—these are the rights that provide the basic sphere of rights of decision by the National Assembly and the checking of implementation.

The bill, esteemed House, lays down the authority of the president of the Republic in line with the functions of the commander in chief of the armed forces. According to the correct interpretation of the Constitution, contrary to curbing it, the bill will even slightly widen it compared to the current regulations. [passage omitted]

An important issue in connection with the government's authority is the restricted use of military forces. According to the bill, this can be carried out if an invasion with the intention of attacking the airspace of the Hungarian Republic or an invasion by external armed troops have to be averted. At present, neither the Constitution nor the defense law deal with this. The legal settlement of the problem has been raised by the demands of practice during the past few years. The bill prescribes the government's obligation to take immediate measures, parallel with providing the constitutional agents with the authority of decision, with immediate information. The size of the forces available for aversion is not significant; their supposed activity is laid

down in advance, and they can be used in the required degree. It is obvious that in these cases, if they happen, the loss of time would entail dangereous consequences that are difficult to foresee. In these exceptional cases, the constitutional alternative would be too long on the one hand, whereas the government's responsibility laid down in the constitution would come to the fore, in that the government is obliged to protect and to ensure the rights of citizens, among them the basic one of the right to life.

The bill also regulates the regional and local defense administration in accordance with the changes taken place. The commissioners of the Republic, as well as the county defense committees will have an important role in it. Local defense committees with central supervision will function in the districts of Budapest and in towns with county rights, as well as in towns selected by the commissioner of the Republic. It is the mayor who directs and coordinates the local implementation of defense tasks. The proposal, respecting the constitutional principle of self-governments, regulates the relationship system of civilian and military administration.

Our proposal deals with the matters of the Armed Forces to a great extent. [passage omitted] Depolitization has taken place in the Army and, at the same time, the transformation of its moral and spiritual character, the formation of the national Armed Forces has started.

In accordance with the 1990 Paris Treaty the Army has reduced its staff and has continuously been reducing its equipment of offensive military technology. Its staff has dropped from 150,000 to less than 100,000. Simultaneously, it has developed its new command structure of defense character significantly, changing the location of its troops as well.

In a realistic judgement, a modern transformation of the Army, its modernization, would require 10-15 years. Owing to the very tight budget, the modernization of the material-technical factors was lagging behind the necessary and required level until the beginning of the organizational-structural changes. Even in this situation we can say that the number, composition, qualification, training, and the equipment of the staff of the Hungarian Army meets the requirements of the level of security and danger situation of our region. Although its economic, maintenance, and technical difficulties have visibly been increasing, it still can fulfill its basic duty, the armed defense of the homeland. [passage omitted]

One of our most serious problems is the state of its [the Army's] technical level. The replacement of the mainly used up and outdated, obsolete equipment in the system was suspended about 10 years ago. [passage omitted]

The development of our air defense is a priority task. This is why the agreement with Russia is so important, according to which the Hungarian Air Force is soon to receive 28 MiG-29 aircraft.

The preparation of formations and soldiers continues in the spirit of the new requirements. However, owing to the ever reducing material conditions, our training facilities have occasionally been worsening, therefore its level has been decreasing, more precisely does not keep up with the modern requirements in some places. Our second greatest problem also comes from this.

The burden and the sacrifices of the professional staff have significantly increased recently, while their material reward is significantly lagging behind. According to the survey carried out at our request in May 1993, based on the calculation methods of the Central Statistical Office, 17 percent of the officers' families, 46 percent of the sub-officers' families, 57 percent of the families of civil servants live at or under the officially calculated subsistence level. Among other things, this is one of the factors of the reduction of the number of officers and sub-officers during the past three years by 6,427, and only a small proportion of it, 2,836 people, have retired, the others have found jobs elsewhere. The staffing level of the commander officers of subordinate units is 86 percent at the moment, while it is only 78 percent at the sub-officers. However, it is good news that the earlier significant drain of staff has stopped. The number of officers and sub-officers have even increased by 380 this year.

The amount of properties and buildings within the management of the Army is above the necessary level. However, the sale of the surplus has come up against great difficulties, for the well-known reasons. The condition of the establishments, at the same time, have been deteriorating owing to the tight financial resources available for their maintenance. There are several years of backlog in maintenance. [passage omitted]

It is a particular problem that the Army does not possess enough military stocks and materials necessary for training in peace which are necessary for carrying out its basic task.

Esteemed house! The management system of the Army is working. However, the experiences of the past few years have shown that further simplification of the management system, the improvement of its effectiveness, and the elimination of some parallelism are necessary. The new system of combat-readiness and mobilization introduced in 1992 meets the requirements of the present era. However, the gradually shrinking budget has a negative impact on reorganization, combat-readiness, and training. I feel it necessary to mention that we have been spending a lot less on military expenses than the majority of the countries similar to us in size and situation. This sum was 1.9 percent of the gross national production in 1993. The real value of the ministry's budget decreased by 46 percent between 1989-92.

Esteemed House! After this brief account of the situation let me speak about those points of the bill which are of real public interest, namely the new rules of compulsory military service, i.e. conscription. If the bill is passed

then compulsory military service for women, as well as the compulsory report on change of work place by those liable to military service will cease. Those liable to military service who are obviously unsuitable will be exempt from even enlisting. According to the bill, the service time of those bringing up two young children in their own home will be cut to six months, while those with three children will be exempt from conscript service. Some of those liable for military service, such as parliamentary and self-government deputies, would not be conscripted either, because this would violate public interest.

We have created such new rules for postponement, interruption of service, exemption from reservists' service, which make possible the consideration in a humane way of not only family, study, health, and other viewpoints, but also the individual circumstances which merit appreciation.

The period of unarmed conscript service will be reduced from 15 to 12 months, civilian service from 22 to 18 months. [passage omitted] The total of the reservists' military service will drop from 10 months to mostly four, but a maximum six months. I think that the reduction of the service time by such an extent speaks for itself. However, a service time shorter than this would endanger the implementation of the tasks. The conscripted service of those voluntarily participating in the training of reservist officers and sub-officers will be cut from 12 to nine months. That is how we would also like to motivate youngsters to undertake such tasks. The proposal introduces the category of secondary reservist [pottartalekos] for those liable to military service who did not carry out military service at the age of conscription. They will be liable to be called up for a four-month training up to the age of 40. From now on, reservists must be informed of their call-up at least six months prior to that, apart from unexpected mobilization exercises. In certain cases our bill offers choice, too. For instance, if one liable to military service asks before being called up that he be conscripted before he is 23 years old, he can choose the date and, if military interests make it possible, the place of the service.

The bill will improve the situation of the soldiers and their families with extending and raising some allowances. [passage omitted]

In 1848 Lajos Kossuth said in one of his speeches that he whose hand is in the pocket of the nation, and he who holds in his hand the armament of the nation commands [rendelkezik] the nation. [passage omitted]

The right to command should be possessed by the democratically elected Hungarian Parliament and the administration accountable to the parliament. What we would like, what we want is that the power [of the arms] in the hand could never again serve foreign interests, nor dictatorial inclinations, or dictatorships imposed upon us. [passage omitted]

'Minor Malfunction' Reported at Nuclear Station

LD2009143093 Budapest MTI in English 1207 GMT 20 Sep 93

[Text] Budapest, September 17 (MTI)—There was a minor malfunction at the nuclear power station in Paks, central Hungary, on Wednesday night, the plant's information office told MTI.

During the regular annual fuel change and maintenance on the 3rd bloc of the power station, when surplus heat is continuously carried away with maintenance of natural circulation, operators noticed a temporary decline in cooling efficiency on Wednesday night. They immediately set to restoring natural circulation, so there was no need to use emergency cooling systems. The disorder lasted for an hour.

Measurements and analyses rule out any damage to nuclear fuel cassettes or leakage of radioactive substance into the environment, the event measured 1 at the 7-degree international nuclear scale.

SLD in Talks on Forming Left-Wing Government

LD2109223993 Warsaw PAP in English 2226 GMT 21 Sep 93

[Text] Warsaw, Sept. 21—The Democratic Left Alliance (SLD), which won the largest share of the votes in Sunday's general elections, began on Tuesday talks on forming the first left-wing government since the end of communist rule in 1989.

SLD leaders Wlodzimierz Cimoszewicz and Aleksander Kwasniewski and chief of the Polish Peasant Party (PSL) Waldemar Pawlak met briefly on Tuesday afternoon. A statement issued following the talk said that "the SLD representatives made an offer to the PSL to create a joint government."

The SLD also held talks with the Union of Labour (UP) on the formation of the Sejm presidium.

Cimoszewicz told newsmen in Warsaw that his party will name its candidate for the prime minister as soon as talks on the new government coalition are over.

Cimoszewicz reiterated his earlier declaration that the SLD appreciates the credit given to President Lech Walesa in free elections and it would not push for early presidential elections. He could not say for sure, however, if the SLD will seek changes on the posts of presidents of the Supreme Board of Inspection (NIK) and the National Bank of Poland (NBP).

According to Aleksander Kwasniewski, the SLD's priority is to integrate Poland with the European Communities and to carry out active economic and political cooperation with the east. He also told journalists that it is the NATO representatives who should know how to shape cooperation with Poland.

Meanwhile, President Lech Walesa, who declared not to comment on the elections until the official results are known, told PAP on Tuesday that he was "best prepared for this particular scenario."

More on Coalition Talks

LD2109185493 Warsaw Radio Warszawa Network in Polish 1700 GMT 21 Sep 93

[Text] [Unidentified correspondent] Talks took place in the late afternoon between the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL]. Head of the alliance Aleksander Kwasniewski said that he proposed to the PSL the creation of a government coalition.

[Begin Kwasniewski recording] First, this was above all a discussion about political will. Second, this was a discussion about certain programmatic ideas and further work on the program, possibly a joint program platform of such a government. Third, this was a setting of meetings for the continuation of the talks. Well, the talks will be continued. I think that this augurs well. [end recording]

[Unidentified correspondent] Waldemar Pawlak, leader of the Polish Peasant Party [PSL], was asked whether he will accept the proposal of the left.

[Begin Pawlak recording] The talks will certainly be continued, both with the SLD and with other groupings, and I think that we will do this more swiftly and efficiently so as to get concrete solutions, just as has been clearly written here [as heard]. The first matter related to the Constitution of the authorities of the Sejm and Senate, and above all, savings associated with the functioning of the Sejm and Senate, and thus a limit to the number of deputy speakers and deputy chairmen of commissions. This depends upon how talks with other groups go. [end recording]

[Unidentified correspondent] At 1700, at the headquarters of the Union of Labor [UP], a meeting took place between Aleksander Kwasniewski and Wlodzimierz Cimoszewicz and the leaders of the Union of Labor, Ryszard Bugaj and Zbigniew Bujak. Bugaj said that he proposed Democratic Union [UD] Chairman Tadeusz Mazowiecki for the post of new Sejm speaker. Both sides were informed of the necessity for reductions in the Sejm Presidium, and a 20 percent reduction in the running costs of the Sejm Chancellery were also discussed.

At their news conference today, the leaders of the SLD said that talks on the Constitution of the Sejm leadership will also be held with the UD. As Cimoszewicz said however, it is appropriate to reject the version of the creation of a government by the Alliance and the UD. At the news conference, Kwasniewski and Cimoszewicz said that nothing justifies the views that are appearing, that the SLD seeks a return to old methods and the reversal of the direction of the reforms, which often manifests itself in commentaries abroad.

[Begin Cimoszewicz recording] We would thus wish, in this regard, that the consciousness, this knowledge will pass through, that the left alliance will do everything for economic reforms to proceed. We always expressed ourselves in favor of the so-called social market economy. On the other hand, the fact that we have rather different ideas for methods of reforming the economy does not authorize all these assertions that I have just listed. [end recording]

UD's Rokita Discusses Election Results

WS2109110093 Warsaw Radio Zet in Polish 0615 GMT 21 Sep 93

[Interview with Jan Maria Rokita, one of the leaders of UD by Krzysztof Skowronski in the Radio Zet studio in Warsaw on the "Guest of Radio Zet" program—live]

[Text] [Skowronski] Why does the Democratic Union [UD] not want to form a government with the Democratic Left Alliance [SLD]?

[Rokita] Good morning. Why does UD not want to form a government with SLD? I think that the answer to this

question is very simple. It does not want to do it, first of all because if you lose the elections, you should not push for power. These rules have been accepted by all democratic societies. It does not only concern UD; the entire government, headed by Hanna Suchocka, had 210, 220, or at times even 230 seats. In the new parliament it will have approximately 60. This shows the scope of defeat of these parties. Under such conditions they should not aspire to wield power. This is quite obvious. However, the second reason is the fact that the people in UD believe that the election program of the winning parties—SLD and the Polish Peasant Party [PSL]—cannot be implemented in Poland at all. Therefore, it is these parties that must answer the question: How should they explain that they are unable to do what they have publicly promised to do? We can see no reason why we should participate in an attempt to formulate an answer to this question; such an answer cannot be formulated. Finally, the third reason is that if any small party, such as UD in the new parliament, wanted to participate in establishing the government where post-PRL [Polish People's Republic] parties would have such an overwhelming majority, it would have to play the role of a puppet that adds credibility to this government. This is totally unacceptable to UD.

[Skowronski] This means that UD has already decided to be in opposition, and this decision is irrevocable. Is that so?

[Rokita] Yes, it is.

[Skowronski] Why did the government parties lose the elections?

[Rokita] First of all because there is poverty in Poland. Polish people, who have compared our living standards to Western standards, where the gross domestic product, for example in Germany, is ten times as big as ours, have not accepted this poverty. The parties that won the elections have confirmed many times that this poverty is the result of mistakes made by the Solidarity camp, adding that they are able to overcome this poverty. I believe that the desire to overcome this poverty has caused the failure of the government camp. This does not change reality: Poverty still exists. It would be here even if Poland were visited by a large group of angels who would take over power. Poverty will persist regardless; nothing can be done about it. The only solution to this problem is a consistent policy of economic growth.

[Skowronski] Why did people decide that SLD and PSL should govern Poland?

[Rokita] For this very reason. PSL, which has the largest support among poor farmers, promised that the process of adjusting Polish agriculture to the demands of competitiveness could be curbed. This was awaited by farmers, especially by those who do not own much land. Now, this is impossible. SLD promised—especially the budget sector, senior citizens, disability pensioners, and workers in large state-run factories—that it would ensure that transformation processes in this area be curbed. At the same time it also guaranteed jobs, large amounts of dole money, pension increases, and salary increases in the budget sector. This is really simple. This is so humane. These expectations are marvelous. These promises are wonderful. You could not find any fault with them, except that they are totally unrealistic.

[Skowronski] What have these elections changed in Poland? Is the course of economic reforms going to change?

[Rokita] Only God knows that. These elections undoubtedly have created a very serious situation for the state and the citizens alike: For the state because the fundamental option of the Polish foreign policy, that is, the option for NATO and the European Community, is now under question. I certainly know perfectly well that Aleksander Kwasniewski confirms very ardently that especially the option for the common market is absolutely indisputable. However, we must admit that the victory of PRL forces has put both these issues, which are absolutely fundamental for the Polish foreign policy and Polish security, under question. This is obvious. However, there are also many other risks that will come as a result of these elections. As far as the Polish domestic situation is concerned, there are first of all economic risks. I realize that what I have just said is an absolute truism. This is nothing new. There are also other issues that have been put under question: The budget policy, the monetary policy, the policy in the area of self-government and decentralization of the state, and the policy of transformations in the entire public sector, that is, state-run companies, health service, an education. SLD and PSL promised that, generally speaking, transformations in all these sectors would be curbed. I cannot say whether this means that the transformations will be broken off or if it means that they will be temporarily discontinued and then taken up again.

[Skowronski] Do you think that now, after the elections, we can have a stable government that may govern for four years, just as the SLD leaders have announced?

[Rokita] The issue is whether the two winners in these elections, the two largest parties—SLD and PSL—will be able to form a coalition that would have a considerable majority in the parliament. If, for any reason, this is possible.... [pauses] The coalition will have such a great majority that.... [pauses] We do not know the official results yet. At any rate, the results are close to the so-called constitutional majority; this is a majority that would allow these parties to adopt a constitution on their own, and to recall the president. Incidentally, we can already hear opinions that the presidential powers should be limited, which can obviously add another conflict to the Polish public scene. However, let us put this problem aside. Only under such a condition is it possible for a government of the winning camp to stay in office for four years. However, this idea may turn out not to be that easy to implement. We have the following situation in Poland: Modernization of the state must be implemented, modernization of the economy must also

be implemented, the public sector must be rebuilt. After these elections it is common knowledge that this modernization must be implemented on the basis of a certain compromise. This compromise is possible either with farmers—especially with farmers who own little land—or with the social sector, that is, with senior citizens, disability pensioners, the budget sector. Both these compromises are most probably impossible to make: PSL is the advocate of the former, SLD is the advocate of the latter. If someone tried to make both of these compromises simultaneously, it would mean the definite ruin of the state. Therefore, there arises the following question: Which of these compromises will be chosen? It is a question concerning the dominating role of either SLD or PSL in the new government and in the new political configuration. I would like to draw your attention to the fact that even though these two parties consistently pursued a policy of promises, in fact their program and their electorate are in deep conflict: The interests of Polish farmers are contrary to the interests of the groups that take advantage of social benefits of the state. SLD has decided to support these groups firstly. I do not know whether this real conflict, this controversy over the distribution of the gross domestic product is surmountable.

[Skowronski] Is it possible for Poland to return to a second PRL? Or have structural changes in the state already been so great that this cannot be done?

[Rokita] You know, this second PRL is merely a slogan. I mean, I said this before the elections because we knew the results of opinion polls, and we expected such an election result at least two weeks before the elections, even though those results could not be published. I said it then and I will say it again: Poland is not threatened by the return of communism. I am not afraid that such a return will occur. Therefore, statements that revolutionary steps will be taken by these or those extremist formations, simply make me laugh. This is rather ludicrous and not very serious. Poland is not threatened by a return of communism. However, I would like to know what the second PRL means. If the second PRL means that comrade Szmaciaks [satirical literary figure of a communist apparatchik], who have been lying low since 1989, will raise their heads in factories, towns, companies, and in many other places, then a return of the second PRL is certainly possible. It can be very unpleasant for very many people, especially in provincial parts of Poland, where those comrade Szmaciaks will definitely raise their heads.

[Skowronski] You wanted to reform the state administration and establish powiats [small administrative units]. Do you think that SLD will continue to implement this?

[Rokita] I will encourage each consecutive government to do this....

[Skowronski, interrupting] Even as an oppositionist?

[Rokita] Even as an oppositionist. What is more, I will try to help each consecutive government in this area. I will take advantage of my experience, if anyone wants me to use it in the future. I believe that certain things that are absolutely necessary for the state's efficiency should be put into effect. However, so far, PSL especially has totally underestimated the necessity of implementing political and institutional transformations of the state, and it has been definitely against this reform. SLD has not taken an unequivocal stand on this issue. An average reasonable man in Poland can only hope that certain reforms, at least those fundamental for the state, will be continued. The self-government reform and the reform of the government's organizational structures are absolutely necessary. Without them the state is not able to fulfill the functions that are fundamental for the citizens. Therefore, if they are not implemented, any authorities will witness a growing dissatisfaction of the citizens with the functioning of the state.

[Skowronski] What will the consequences of the center right finding itself outside the Sejm be?

[Rokita] They will not be great, I would say. I regret the fact that at least some rightist parties will not be in the parliament; I am thinking about the Liberal-Democratic Congress [KLD]. I think that the fact that this party will not be in the parliament is a loss for the Polish parliament. KLD contributed vital and new ideas to the Polish public scene, and to the parliament for two years. However, I believe that the parties of Mr. Jaroslaw Kaczynski, or Mr. Antoni Macierewicz, or Mr. Parys, have worked hard not to get in the parliament. Their absence is well-deserved.

[Skowronski] We have already mentioned that the Sejm will be hostile toward the president. What will the consequences of this be?

[Rokita] Well, it was you who said that it would be hostile. I cannot say this right now. I do not know whether or not it will be hostile. What I can say today is that one of the leading SLD politicians has issued a statement that presidential powers should be reduced to the powers of the German president, that is, to the powers of cutting ribbons. If the policy of the parliamentary majority should be implemented in line with this statement, it would have to mean a great conflict over powers between the parliamentary majority and the president. It would probably be much more acute than it was when Jan Olszewski was prime minister. This can obviously cause unpredictable consequences for Poland, including the collapse of democracy. I do not think that the majority can be so unreasonable as to pursue a policy openly directed against the head of the state. I am not evaluating the model of the Polish political system; however, I can say that today such a policy would be detrimental to Poland, and it would be totally suicidal.

[Skowronski] How do you feel as an oppositionist?

[Rokita] I must tell you that I feel all right; however, I am still a minister in the government of Hanna Suchocka,

and I am going to perform my duties with dedication. I would like to say that I am over thirty and I was in the government camp for only a year. I was an oppositionist for 15 years. In other words, it is much easier for me to get accustomed to the latter role.

[Skowronski] That is, you have not forgotten what it is like to be in opposition?

[Rokita] No, I have not. I have no serious problems with that. Most probably I will also feel better being in opposition.

[Skowronski] Thank you for the interview.

[Rokita] Thank you.

UP's Nalecz on Coalitions, Government, Russia

WS2209093093 Warsaw Radio Zet in Polish 0615 GMT 22 Sep 93

[Interview with Professor Tomasz Nalecz, UP leader, by Krzysztof Skowronski at the Radio Zet studio in Warsaw on the "Guest of Radio Zet" program—live]

[Text] [Skowronski] Will the Union of Labor [UP] create a government with the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL]?

[Nalecz] It is too early to talk about that. We are waiting for the official election results, which will not be announced until Friday [24 September].

[Skowronski] But there was a statement yesterday by UP's leader that there will be no such government.

[Nalecz] I think creation of such a government is not very likely. We would be willing to support an SLD-PSL majority under one condition—it has to be a government of experts, not a strictly party-like government, but one composed of prestigious individuals, which would enjoy a parliamentary majority without implementing the political strategy of any one particular party.

[Skowronski] Who would be the prime minister of such a government of experts?

[Nalecz] I think that the Sejm president should be entrusted with the mission of creating such a government, including naming the prime minister.

[Skowronski] Who should become president of the Sejm?

[Nalecz] We are considering two people, without approaching the issue dogmatically. It could be either a representative of the peasant movement, in accordance with the long parliamentary tradition in Poland, and in this case peasant activists point to Professor Jozef Zych. Or else it could be Tadeusz Mazowiecki, and I think the Sejm will make the choice here.

[Skowronski] Are there program differences between UP on the one hand, and SLD and PSL on the other?

[Nalecz] These are not the biggest possible differences, when you take a look at the election programs. Still, it is the melody that makes the song; I think that as far as the melody is concerned, we are very different.

[Skowronski] What is the melody about?

[Nalecz] I think, first of all, it is about the position on issues which are not so much about economics or politics, but about building the left wing, and these issues separate us in the left-wing family. They are strong enough to make creation of a coalition difficult, very difficult.

[Skowronski] Is creation of a coalition possible where two parties would be included: PSL and SLD?

[Nalecz] If the election forecasts turn out true, and we have to remember that they are only approximate, then the two parties will have a sufficient number of deputies to create such a coalition. I think, however, that such a coalition may present a threat of escalating the political conflict in Poland, and that is why I would not be enthusiastic about such a coalition.

[Skowronski] Why would it escalate conflicts in Poland?

[Nalecz] I think that the Electoral Law is primarily to be blamed here. The Electoral Law against which we had warned and voted, gives an over-privileged position to those parties which receive a high number of votes but not the majority of votes. The fact of the matter is that the Electoral Law has led to a situation where SLD and PSL, with only 36 percent of the popular vote, have an over 60-percent majority in parliament, which is almost enough to amend the Constitution. It is hard to rule the country having such a significant majority in parliament, and with the support of slightly more than one-third of voters, because two things determine ruling a country—the arrangement of forces in parliament, and the convictions and favorable opinions of citizens. Favorable opinions of every third citizen—that is not enough to be able to rule a country permanently.

[Skowronski] In that case, is the parliament not representative?

[Nalecz] I think that the parliament is representative, for a certain political arrangement in the governing elites. Every electoral law in a democratic system distorts human convictions. Besides, one must remember one thing—the election results are representative of the elections, while voter opinions differ, especially in Poland where the democratic system is only now taking shape. That is why I think we must look for support for the government from a much larger majority of citizens than the one of 19 September.

[Skowronski] What does a strong opposition outside of parliament represent?

[Nalecz] I think it is a bad thing that, not counting the Non-Party Bloc In Support of Reforms [BBWR], no right-wing party gained seats in parliament. As one can

predict, the right-wing parties will most certainly be looking for support and trying to rebuild their capital on the street. Announcements made by those politicians are proof of that. It does not spell future stability for Polish political life, and we must try to eliminate such a danger by, among other things, the appropriate creation of a government.

[Skowronski] How should the government be comprised?

[Nalecz] We think it should be a government of experts, one trying to assemble as many forces as possible in parliament, one which would enjoy at least a tolerant attitude on the part of the Democratic Union [UD]. It would be a government which would try to eliminate the gap which the right wing is now trying to create in Poland. I mean the gap separating the right wing from the left wing.

[Skowronski] Could Aleksander Kwasniewski be prime minister of such a government?

[Nalecz] I think that if one wanted to create a government of experts, one would have to avoid such very clear, party-like ministerial declarations. It cannot be pretended, one cannot create a government composed of politicians and then say it is a government of experts. Of course, Aleksander Kwasniewski is by all means an expert, but he is still the SLD leader, and he cannot perform the two functions.

[Skowronski] What about Andrzej Olechowski?

[Nalecz] Well, I think a BBWR politician should not be prime minister. I am sure Andrzej Olechowski is also a very competent man, but he is the unmistakable BBWR leader, so it would be hard to see in him a candidate for the prime minister of a government of experts.

[Skowronski] Is it possible that SLD will be in opposition?

[Nalecz] If those election predictions proved correct, then theoretically there certainly is such a possibility. However, the firmness of UD, the declarations that have been made thus far, seem to eliminate such a possibility.

[Skowronski] What party is closest to UP?

[Nalecz] We have said this many times: we are closest to PSL. We have very close relations with this party. Nothing has changed here in the last few weeks.

[Skowronski] How long will it take to form the government?

[Nalecz] I believe that it will be formed rather quickly because these issues will be explained soon. One of the good things about this Electoral Law is that it has made the configuration of forces in the parliament so much simpler. I think that the six parties will clear any doubts rather quickly. I believe that the form of government will be decided as soon as within the next few days or so.

[Skowronski] Today UP leaders will hold talks with UD leaders. What are they going to talk about?

[Nalecz] First of all they will talk about the Sejm leadership, about how the Sejm should function because this is the most important issue at the moment. I think that they will also talk in general terms about the political philosophy for Poland for the nearest future. We are convinced that UD, despite its declarations of opposition to the leftist configuration, will share our conviction that we must do everything in Poland not to pour oil over troubled waters. It is especially important because these waters, these waves may become even more dangerous as a result of the events in the east.

[Skowronski] Will the UP leaders try to persuade UD leaders to change their minds and join the government?

[Nalecz] We want to win everyone—including UD—over to our idea of a government of experts, formed by the parliament.

[Skowronski] Is SLD a post-communist party or a social democratic party?

[Nalecz] These two terms are not mutually contradictory. In my opinion, SLD wants to build a social-democratic party, without cutting the link with the past era. There is a group within SLD that has done much to push the party in this direction. There are also other groups, which, in turn, are trying to slow down the social-democratic evolution of SLD.

[Skowronski] What is the configuration of forces there? Which faction is stronger within SLD?

[Nalecz] You would have to ask SLD members about that. I think that so far people with social-democratic views have been dominating the party.

[Skowronski] Does UP support the idea of decreasing the powers of the president?

[Nalecz] Our Constitution bill, submitted to the previous Sejm along with PSL, definitely supports the idea of parliamentary democracy; that is, such a configuration of forces where most powers are vested in the parliament and where the government and the president hold strong positions. The president should be a referee in controversies, he should not be a party to them. Therefore, it does entail some limitations of powers if we compare it to the Little Constitution that is binding at the moment.

[Skowronski] Is the Sejm going to be an antipresidential Sejm? Will there be a conflict between the president and the government coalition?

[Nalecz] I can only express the opinion of UP. It would be hard for me to speak for the other parties, and I simply could not say anything on behalf of the president. Now, if we are talking about the possibility of a conflict between the Sejm and the president, we should take all these factors into consideration. UP will definitely go to great lengths to prevent any friction between the Sejm

and the Belvedere because such friction is not necessary in Poland. Apart from that, I believe that, judging from what President Lech Walesa has done so far, he also is trying not to heighten the tension with the Sejm.

[Skowronski] One more question related to the coalition. Is Poland going to be governed by PSL, SLD, and UP?

[Nalecz] Such a government, determined by the alliance of these three parties.... [pauses] I do not think that such a government will be formed. However, this is only my personal opinion; the statutory organ of UP will convene only on Saturday, after the election results are officially announced, and only then will a decision be made. However, judging from the opinions of my party colleagues, I do not think that UP could enter into such a government; a government that would be determined by the parties: SLD, PSL, and UP.

[Skowronski] What do you think of the events in Moscow, of the dissolution of the parliament?

[Nalecz] I think that those events are extremely dangerous. It is a dark cloud that is hanging over the entire situation of Europe and the world. So far one element has been unknown: The stand of the Army. The Army will tip the balance in the conflict between Yeltsin and the parliament. I think that this has been the culmination of the Russian conflict so far. I only hope that it does not turn into a civil war.

[Skowronski] What consequences will it have for Poland?

[Nalecz] I think that its consequences for Poland may be of two kinds: A civil war in Russia may produce a vast influx of refugees. The conflicts that we have witnessed so far have shown that they result in millions of refugees fleeing their countries. There is a danger that such a wave of refugees might run through Poland. However, there are also other dangers. The entire world would get involved in an internal conflict in Russia; as a result of this, Polish affairs would become peripheral. Now, since we want to be successful in implementing our reforms, we must rely on the world's friendly attitude, which, in such a case, we might lose.

[Skowronski] Now, from this point of view, is the election success of the left favorable to Poland?

[Nalecz] I would not dramatize the situation, as some people have been doing. I believe that since the unpredictable right did not spoil the good name of Poland when it ruled Poland for a few months, the leftist government will not provide any shocks, either. I think that the leftist elite, which has a chance to come to power as a result of this Electoral Law, will be more responsible than the rightist government, which Poland had for more than a year.

[Skowronski] Thank you for the interview.

[Nalecz] Thank you.

KPN Leader Says Party May Join Opposition

LD2109200993 Warsaw PAP in English 1442 GMT 21 Sep 93

[Text] Warsaw, Sept. 21—Leader of the Confederation for an Independent Poland (KPN) Leszek Moczulski said on Tuesday that the KPN will join the opposition if the social democrats form a government.

Moczulski said that his confederation must represent the electorate which voted for the centre-right parties that will not be represented in the new parliament. According to the preliminary results KPN scored 5.7 percent of votes which gives it 24 seats in the house.

Moczulski explained his party's stance by saying that "in case a Social Democratic government is formed, our situation is simple, KPN must be in the opposition for obvious reasons."

Without saying which are these reasons, Moczulski added that "even if the Democratic Union (UD) plays an important role in the future configuration, KPN will be exactly critical of it as it was in relation to the Suchocka Government," he said.

Referring to the economic sphere after elections, Moczulski said "we expect a rapid deterioration of the condition of the economy and people."

SLD, PSL Big Winners in Senate Elections

LD2209102593 Warsaw PAP in English 0818 GMT 22 Sep 93

[Text] Warsaw, Sept. 22—With the official results announced from all but one of Poland's 49 provinces, the Democratic Left Alliance (SLD) has secured 37 seats in Poland's 100-member Senate. In second place, with 35 seats, is the Polish Peasants Party (PSL).

The "Solidarity" trade union, which failed to gain representation in the Sejm (lower house) has 9 seats, the Democratic Union (UD) 3, while the Union of Labour (UP) and the Non-Party Reform Bloc (BBWR)—2 each.

Two notable victors in Katowice province were celebrated heart surgeon Zbigniew Religa (BBWR), and August Chelkowski (solidarity), speaker in the previous Senate.

The official results of the Senate elections for Warsaw Province are still not available.

Walesa Says Leftists Without Moscow 'Not Dangerous'

LD2109170193 Warsaw PAP in English 1643 GMT 21 Sep 93

[Text] Gdansk, Sept. 21—"The (political) Left without Moscow is not dangerous," said President Lech Walesa commenting on the status of Poland's internal affairs in Gdansk, where he and presidents of Germany Richard

von Weizsaecker and France Francois Mitterrand met with an international student group on Tuesday [21 September].

Walesa agreed that the situation in Poland today resembles the relations between the Left and the Right in France of the 1980s and said: "We must try this configuration." He described it as another stage on the way to democracy.

Presidents Mitterrand and Weizsaecker stressed that Poland's integration with EC may be possible before the end of the century because the communities themselves have integration difficulties, related to the uneven economic development of its member states.

Foreign Investors Not Concerned About SLD Victory

WS2109143093 Warsaw RZECZPOSPOLITA in Polish 21 Sep 93 p 7

[Report by D.E.: "After the Elections; Foreign Capital: There Are No Reasons for Fear"]

[Text] In their talks with RZECZPOSPOLITA on Monday [20 September], none of the major foreign investors who decided to deposit their capital in our country expressed concern about the left's election victory. Statements by Ian Hume, director of the World Bank Mission in Poland, and Yves L. Fortin, representative of the European Bank for Reconstruction and Development [EBRD], were also very subdued. "There is no reason to dramatize the situation," said Ian Hume to the Polish Press Agency [PAP]. He added that "the program of reforms will not be endangered." He also said that "we are not worried at the World Bank." Hume stressed a positive, according to him, aspect of the elections because "there will be fewer parties in the parliament which, therefore, will be stronger."

Yves L. Fortin stressed that his institution expects declarations concerning privatization, the budget, and inflation control. "We are interested in finding out about the new policy on privatization. We hope that the reform process will be continued." This special interest of EBRD in privatization is caused by the fact that the bank intends to participate in this process.

Giovanni Prati, representative of FIAT—the largest foreign investor in Poland—and the director of FIAT Auto Poland, stressed that, as a member of the Italian management of the company, he does not make statements on political issues concerning our country. He added that today it is still difficult to say what will be the effect of the election results on the economic situation of the country. The purpose of FIAT Auto Poland is first of all production, and this is what we deal with here in Tychy. I must also remember that I am responsible for the jobs of 18 thousand people; this is what is important to me when I make decisions. According to Prati, all investments of FIAT in Poland are developing according to schedule. Now that the final documents have been signed these investments can be made even faster because the deadline for closing the transaction is behind the company. Seventy five percent of Cinquecentos manufactured by FIAT Auto Poland are sold abroad; the daily production is 830 automobiles.

Barbara Lundberg, head of the Polish-American Enterprise Fund, Polish Private Equity I and II, said that it is too early to assess the changes that have been caused in the economy by the elections. "At any rate, I get the impression that a vote given to the left was not at all a vote against reforms within the Polish economy, where we have been present for three years. Actually, the Fund feels like a Polish establishment already, and we do not intend to withdraw."

Jan Musiolik, representative of IKEA in Poland: "In my opinion it is much too early to try to assess what changes the election results may cause; however, I would like to stress that our company has always separated business matters from political issues. We have been successful so far, and I can see no reason why the situation in Poland should change. IKEA has a long-term strategy in Poland; it has already invested $15 million and is planning to invest another $30 million. We are thinking of buying more Polish furniture factories because we are satisfied with what we have bought so far."

"I am not afraid of the left," said Ryszard Wojtkowski, representative of Coca-Cola Poland. "There cannot be any great changes in the economic system, such as nationalization. However, to be more serious, we are in a good situation: Even if inflation increases, which I hope will not take place, it will not do us much harm because we import only one ingredient that is needed for the production of our drinks: the concentrate. The rest comes from Polish contractors. The concern has already invested $280 million in Poland; it declared that it would invest $313 million; therefore, it will invest another $33 million. In such a situation, we simply cannot close down our business. But why should we do that? Especially in a situation where we are a real success."

Frans Moonen, responsible for the finances of Philips Lighting, the part of the concern that has invested its money in Pila, says that the election results cannot change anything: "We are very satisfied with our investments in Poland. We have found here people who want to work and know how to do it." He added that Philips is thinking of investing its capital in more companies in Poland. So far Philips has invested $21.2 million and is planning another investment of at least $30 million.

Dieter Martz, director of Nestle, said that Poland is in a stable political situation. He added that reforms have already gone far enough that he does not suppose that the new political configuration can change the adopted direction of economic transformations.

"Therefore, Nestle can see no reason why it should change its investment plans, and is still interested in the Goplana company."

Foreign banks with branches in Poland are also not disconcerted. None of them, however, agreed that their representatives' statements be quoted; they stressed that finances must be apolitical. As we were told, "there is no panic among foreign customers; nor are there any suggestions that businesses in Poland should be closed down. On the contrary; it seems that there have been more transaction customers since Monday," was the opinion in one of the Western banks.

David Hunter, representative of ABB Poland, said: "We are extremely interested in the development of the political situation in Poland, and we are watching it with attention. I would like to stress, however, that we separate business from politics; we always concentrate on politics, no matter where we are. We have been in Poland since 1990 and we operate here through nine companies. We have a long-term strategy which determines the direction of our activities. We are going to continue these activities in this or some other political scenario. We also feel responsible for workplaces for our 8 thousand employees who have proved devotion to and support for our activities."

Jeffrey Sachs is also not worried about the future of Polish reforms. He said that he is convinced that the economic reforms in Poland will continue because the Democratic Left Alliance [SLD] will not be able to decide on a government program on its own. "Their campaign was waged on the platform of capitalism and integration with Western Europe," said Sachs about post-communists. He added that there is a consensus in Poland about the general direction of our country's development. Sachs warned, however, that if SLD slows down the rate of privatization and earmarks more money for social benefits—as it has promised—then unemployment in Poland will increase at an even greater rate.

Walesa Communique Voices Support for Yeltsin

LD2209091893 Warsaw PAP in English 0847 GMT 22 Sep 93

[Text] Warsaw, Sept. 22—President Lech Walesa, in an official communique issued on Wednesday, confirmed his support for Russian President Boris Yeltsin, and expressed the hope that Russia will be able to resolve its problems favourably.

The communique reads: "In relation to the current situation in the Russian Federation, the Republic of Poland expresses its hope, that (Russia) will be able to resolve favourably its internal problems. The issue of political and economic reform in Russia has fundamental international significance. Poland stands by the implementation of international agreements reached with Russia, as well as the declaration of the presidents of the Republic of Poland and the Russian Federation signed in Warsaw on august 25, 1993. Lech Walesa, president of the Republic of Poland, expresses his complete confidence in the president of the Russian Federation, Boris Yeltsin."

Foreign Ministry Statement on Situation in Russia

AU2209104493 Bucharest ROMPRES in English 0954 GMT 22 Sep 93

[Text] Bucharest, ROMPRES, 22/9/1993—In a communique released for the press, the Ministry of Foreign Affairs of Romania makes its position known as to the situation in the Russian Federation:

"The Romanian Foreign Ministry carefully watches the evolution of the situation in Moscow, particularly after President Boris Yeltsin's decree ruling the dissolution of the Supreme Soviet and of the Congress of the People's Deputies, and the early elections for a new parliament, and after the counter-measures taken by the present Russian Parliament."

"We share the viewpoint according to which legislative elections in the Russian Federation at a date as early as possible could help solve the present political crisis and ensure the continuation of the democratization and reform processes, whose acknowledged symbol is President Boris Yeltsin."

"At the same time, the Romanian Foreign Ministry expresses its hope that the political forces in the Russian Federation will find the solutions apt to ensure a climate of peace and stability in Russia, to avoid political and social confrontations that would be detrimental to the fundamental interests of Russia and of the international community."

President Interviewed on Economy, Foreign Ties

NC2209080093 Cairo AL-AHRAM in Arabic 18 Sep 93 p 3

[Interview with President Ion Iliescu by AL-AHRAM Chief Editor Ibrahim Nafi' in Bucharest; date not given]

[Excerpts] [Nafi'] Following 45 years of communist rule, Romania has chosen democracy. How successful has this choice been on the social, economic, and political levels?

[Iliescu] I can briefly state that Romania is undergoing a very complicated phase of change. For one thing, there is a general process of change under way in East and Central Europe, one of transformation from totalitarianism to democracy and from centrally planned to market economies.

This is particularly true for Romania, considering the nature of our previous regime, which was more rigid than any in the region. It was not possible for such a regime to disappear in a calm revolution, such as the one that took place in (former) Czechoslovakia or even in the (former) Soviet Union. (Former) [Soviet] President Mikhail Gorbachev and his colleagues set in motion an internal process that came to be known as perestroyka. This process started from the top down.

In Romania it was unthinkable for any democratic initiative to start from within the system or emanate from its political leadership.

Also, Romanian economic development fell on hard times. The country was following a rigid system of central economic planning. Due to (former President) Ceausescu's ambitions during the last 10 years of his rule, Romania accumulated significant foreign debts. Ceausescu's attempt to pay off these debts imposed further hardship on the country. [passage omitted]

I believe that deep changes have happened in Romanian political life in the four years since the fall of the previous regime. In May 1990 we held elections under a one-party system. Right now, there are 200 registered parties. In September 1992, 90 parties fielded candidates in the elections. What has happened so far is abnormal in the standards of a democratic political system, but it can be seen as tolerably objective conduct by a people who lived for a long time under repression and were deprived of their political rights. Some deficiencies were apt to exist in our legislation. Naturally, what is happening can be seen as abnormal and not conducive to stability, but things will become more normal. The elections themselves involve some elimination. We have only 11 parties represented in the parliament. This is still a big number, but a normal situation will gradually evolve.

The most difficult area of modernization is the economy. Generally speaking, the economic system is more complicated than the political system. For years and years we had a closed economic system, which is not easy to change fast. Even in countries with much experience in a capitalist-oriented market economy, we find that Britain for instance resorted to nationalization of some projects after the war. However, in the seventies it resold these projects to the private sector. Although it was a big empire and an economic power, the privatization process took Britain 10 years. The reason for this is that it is not easy to change such structures.

For us the matter was even more complicated, because the entire economy was state-run and centrally planned. It was governed by a strict administrative system based on the hegemony of the central institutions, which were in charge of distributing all resources. Now we have to move toward a new system based on a non-pyramid-like administrative structure. It is a system of mutual relations among economic institutions leading the economic sectors. We also have to move toward a legal system, an institutional system, and a working system under which the performance is based on the rules of free-market economy. Naturally, we tried to outline our strategy in the first experiment of its kind in our history. At the beginning of 1990, we set up a team of our economic experts specializing in all fields of economy. Directors from the agricultural, industrial, and other sectors joined this team, which also grouped university professors, legal experts, etc. The number of team members exceeded 1,000 people and their job was to determine how we could reorganize the economy and break the siege that

was imposed on it during the central planning period. Another job of the team was to outline the main features of a major strategy of transformation toward free economy, with what this entails in terms of restructuring the economy's major and minor areas, privatization, and establishing new relations for ownership. The team held contacts with experts from other countries to study their experiments and learn from them.

For a long time, we will have mixed ownership, a private and a public sector. But what will be the relationship between them? This will be the problem within the context of the general modernization, which will include liberalization of prices, wages, and foreign trade and establishing a new system for banks and other institutions linked to the market economy. [passage omitted]

Thus, it has become incumbent upon us to make the new structure of our economy be based on a new idea and a new concept that relies on the position of the Romanian economy within the European and world economies. This process will be long and complicated. What makes it more complicated is the general crisis facing Europe both at the political and economic levels and the current situation in our traditional markets in the former Soviet Union and the other COMECON [Council for Mutual Economic Assistance; CEMA] member states. These countries produce the raw materials and energy we used to get under the previous economic system.

All these factors combined have caused problems and difficulties for our economic development. As a result, our industrial production dropped by 50 percent from that of 1989, even though 1989 was a year of crisis for our economy. This created difficulties for the Romanian people. We now have around 1 million unemployed persons. In addition, inflation has come to characterize the current stage.

We took harsh measures this year to lift the subsidies that the state used to give to some of the production sectors and also imposed new taxes on the citizens. This is really a vary harsh and complicated measure and has a negative effect on inflation.

We have hopes of stopping the drop in production as a first step. Some positive developments took place in industry during the first seven months of this year and they came as a result of these efforts. In the agricultural sector, we had a better year after having suffered from drought in the past three years. There is water this year in the south, which had suffered too. Agricultural production will be better this year in general. [passage omitted]

[Nafi'] The economic liberalization process and the free market need foreign investments. How are you attracting foreign investors to Romania and what incentives are you giving them?

[Iliescu] You are right. It is one of the problems facing us during the current process of modernization and privatization in this country. The only way to deal with this problem is to strengthen international cooperation and boost foreign investments in our economy.

It is for this important reason that we opted for encouraging foreign investments at the start of the revolution that brought down the former regime. [passage omitted]

We are now operating according to a new law for free zones that benefits from the experience of many countries that apply this system. We are focusing on setting up free zones in the Black Sea and the Danube River areas by granting vast facilities for foreign capital from Europe and elsewhere. We hope that what we are doing will encourage foreign investments.

We have so far gained some expertise in this field. We have now more than 30,000 joint projects to which foreign capital is contributing. But these projects' capitals are not big ones. They total just over $1 billion.

What is encouraging is the fact that very large companies from Europe, the United States, and Japan are participating in these projects and their participation will grow in the future. This is very important.

[Nafi'] Romania is said to have some problems with the IMF and the World Bank regarding their reform proposals. What are these problems and how will Romania respond to the demands of the two institutions?

[Iliescu] Naturally, they have their own methods of gauging the economic competence of the countries they are offering loans. I believe that at the current stage of development, our economy cannot measure up to their standards very easily. One of the basic issues in our discussions has been the budget deficit. We, too, are not willing to have a budget deficit, but it is not possible to avoid it at the current stage. Despite all our efforts, we still suffer from various difficulties at this transitional period. One of these is low productivity.

We held lengthy discussions with them on these problems, which also included currency rates. They are in favor of liberating the exchange rate, and this is not always easy, especially when the prevailing economic system is not that of a free market.

[Nafi'] There is an important issue, which you must have already sensed, but I would like to return to it. According to some reports, Romania was able to pay back all its foreign debt in the eighties. Now, however, your country's debts are accumulating once again. How is Romania handling the problem of new debt? How did it affect development in your country?

[Iliescu] There is a complicated philosophy about debts. Some said it was a privilege for Romania not to have debts. But as a matter of fact, the elimination of the debt, as I said, had large and sharp effects on individuals' standard of living.

On the other hand, we found that we needed foreign debt to support the reform process in which we are currently

engaged, especially since the past regime caused a financial crisis to the Romanian economy. Banks are not ready to lend new customers; they prefer to help their old ones. We now see that the countries that had huge debts before are receiving new loans. We have two examples: Hungary and Poland. Their foreign debt doubled in two years. But no one wants to open the door of loans to Romania, although we have been asking for it.

Despite our agreements with the IMF and our response to its demands, we spent two years discussing with the group of 24 a loan of only $1 billion, and they gave us only half of the amount we requested. During that same period, Hungary received commercial loans worth $10 billion, or even $20 billion.

[Nafi'] How do you explain this?

[Iliescu] This is a customary bank philosophy. They do not have enough money to open new loan lines and they are busy helping their customers improve their economies so that they can pay back their debts. Therefore, we are now interested in receiving loans (he laughs) to become like those customers for the sake of future development (more laughter).

[Nafi'] Romania has always had much interest in the Palestinian cause. Now there is an agreement between Israel and the PLO for Palestinian self-rule in Gaza and Jericho. I would like to know your opinion on this agreement, which is a first step toward a comprehensive solution of the Palestinian problem.

[Iliescu] Yes, we follow with extreme interest and confidence the efforts of all the region's countries, including Egypt, in finding a better atmosphere toward resolving the region's conflicts peacefully, and the Palestinian issue is the core of these conflicts. We have shown much sympathy with the Palestinian people's struggle for self-determination. We appreciate the recent steps as demonstrated by the negotiations and dialogue between the PLO and Israel. It is a good sign and a good perspective for resolving the problem. I believe it will be an extremely important political moment when this agreement reaches its end, when a new basis for national dignity and self-determination of the Palestinian people is found.

[Nafi'] During communist rule in Romania and in line with the general policy of the former communist countries, Romania had close relations with the Third World countries, particularly in Africa. Did this policy change after the revolution? Is Romanian foreign policy now directed toward the West more than these countries?

[Iliescu] I do not believe there is a change in the principle. The matter now relates to the difficulties we are encountering during the current transitional period, and now we have to find a new framework for our economic and all other types of relations with all the European states with which we live in one region. All this is part of normalizing our economic life, but at the same time we are capable of development and diversification. But I believe we will remain as we used to be as far as the general policy and the economic policy of maintaining and upgrading our relations with the Third World countries are concerned. This is because we will not have any chances of competing in the near future with major powers in the advanced Western markets. We have to maintain our relations with all countries and to develop them first in the area where we live, meaning with the neighboring countries. At the same time, we have good traditional relations with all the Middle East countries, the African, Asian, and Latin American countries. I believe that our policy of developing ties with all these countries will not change. [passage omitted]

[Nafi'] My last question: How do you see the future of relations between Egypt and Romania?

[Iliescu] I look to the future of Egyptian-Romanian relations with great confidence that they will flourish and develop because we have a long legacy of good relations, great understanding, and solidarity between our two countries. We are very pleased with the role Egypt is playing in the Middle East, its position, and location that makes it a link between African, Asia, and the Mediterranean, and its role in finding a better atmosphere for peaceful solutions in these troubled parts of the world. Romania occupies a similar location in the world that makes it an area linking Europe, Asia, the Ukraine, the Caucasus, and the Middle East. It is situated in an area where cultures and centers of civilization meet and in the midst of extremely important economic areas. For this reason, I believe that the role played by each of our countries in its own region is extremely important, not just for bilateral relations, but also because of the constructive and positive role they each country plays in its area. I know that Egypt and Romania are going through a difficult period now politically and economically, but we must have confidence in our policies and in our bilateral relations. [passage omitted]

Vacaroiu Receives Czech Agriculture Minister Lux

AU2109163393 Bucharest ROMPRES in English 1228 GMT 21 Sep 93

[Text] Bucharest, ROMPRES, 21/9/1993—Romanian Prime Minister Nicolae Vacaroiu received Josep Lux, minister of agriculture of the Czech Republic, at Victoria Palace, on September 21. They exchanged information on the evolution of the reform in the two countries, with stress on agriculture, and assessed their mutual relationships. Considering that the relations between Romania and the Czech Republic can only be very fine, the parties stressed the need to expand them to as many fields as possible. Emphasis was placed on the intensity of the exchanges at the level of agriculture ministers (that carry some 30 per cent of all bilateral relations), and the parties considered it necessary that the agreements reached during the current visit between the two government institutions should materialize the soonest.

The guest said that his visit—the first one paid to Romania by a representative of the Czech Government

after Czechoslovakia's dismemberment, expressed the Czech Republic's will to develop the relations with Romania which it considered as a stable space in this part of Europe.

Oancea, Lux Sign Accord

AU2109184593 Bucharest ROMPRES in English 1704 GMT 21 Sep 93

[Text] Bucharest ROMPRES, 21/9/1993—"The signing of the agreement of collaboration in agriculture between the Ministry of Agriculture and Food of Romania and the Ministry of Agriculture of the Czech Republic is a particularly important moment for the two countries that traverse the same stage of transition to the market economy", said Ioan Oancea, Romanian minister of agriculture and food, on September 21, during his meeting with Josef Lux, minister of agriculture and deputy premier of the Czech Republic.

The agreement stipulates a string of concrete measures regarding the collaboration between the two ministries in plant production, in developing new strains, producing seeds, and plant cultivation.

Another domain covered by the agreement is animal breeding. The updating and retooling of the food industry and the setting up of joint ventures, especially in breweries, as the Czech party is a reputed beer producer, were also stipulated.

The agreement becomes effective on September 21 and covers five years.

Danescu Signs Accord in Slovakia on Fighting Crime

AU2109190193 Bucharest ROMPRES in English 1720 GMT 21 Sep 93

[Text] Bucharest ROMPRES, 21/9/1993—Romania's Interior Minister Lieutenant General George Ioan Danescu, returned to Bucharest from a short visit to the Slovak Republic, paid at the invitation of that country's interior minister [Lieutenant General Jozef Tuchyna].

The two ministers signed an agreement between their respective governments on taking over their own citizens who enter illegally the territory of either contracting state. Also, an agreement of collaboration was concluded between the two countries' interior ministers, stipulating specific modalities of collaboration in fighting terrorism and organized crime, illegal traffic of arms, ammunition, and drugs, and in other domains of mutual interest.

Daily Warns of Soviet Union Reemergence

AU2109150593 Bucharest EVENIMENTUL ZILEI in Romanian 16 Sep 93 p 1

[Editorial by Ion Cristoiu: "The New Soviet Union on the Horizon!"]

[Text] According to the REUTER news agency, Vyacheslav Kostikov, President Boris Yeltsin's spokesman, said, in a statement made to KOMSOMOLSKAYA PRAVDA newspaper, that the former Soviet republics might eventually unite both economically and politically. Vyacheslav Kostikov did not just make this forecast. He even went on to offer certain details on the geopolitical outlines and strategic parameters of the formula that the new Soviet Union is going to be. Under the name of the CIS, it is designed to be a kind of Commonwealth, in which England's role will obviously be played by Russia. According to Boris Yeltsin's spokesman, the new Soviet Union will first acquire the shape of an economic union, which will logically and inevitably lead to a political union. This is an imperative requirement, Vyacheslav Kostikov says, both of the "current of history," and of the "real aspirations of millions of simple citizens." Right now, the Russian nationalism, that is the nationalism of the gentle Mother Russia, is flourishing. In its name, all kinds of electrifying statements and forecasts are being made. This is not all too hard to imagine, since Russia is Rasputin's country, after all. Is the recent statement of Boris Yeltsin's spokesman more the fantasy of an artist than the assessment of a lucid politician? Of course not. Countless events in recent time drew attention to the fact that the new Soviet Union is not only the nostalgic dream of those who can hardly reconcile themselves to the fact that a large part of the world no longer jumps scared when it hears the name of the Red Army. The new Soviet Union is the more or less distant target of a process that is strongly underway at this very moment. With the independence euphoria behind them, the former Soviet republics woke up face to face with the bitter reality. They realize that their economies are basically dependent on Russia. Consequently, after a period of superb national conceit, the leaders of the former Soviet republics again took the road to Moscow. They slowly began to abandon increasingly more component parts of their national sovereignty for the sake of energy and raw materials, which are in Russia's hands. The most striking example in this respect is Ukraine. From all the former component parts of the Soviet Union, Leonid Kravchuk's country proved to be the most rebellious one and stood up to Moscow's pressures aimed at remaking the Soviet Union under the name of CIS. However, the economic disaster obliged Ukraine to cave in. Recently, at Yalta, the Ukrainian leader agreed to sell Moscow the part of the Black Sea Fleet that belonged to Ukraine. "Sell" is one way of putting it, since the fleet will actually be handed over to Russia in exchange for Ukraine's debt. Without a fleet and nuclear armaments, Ukraine can only metaphorically speak of independence. Eventually, it will also have to join the CIS—in other words, fall under Moscow's tutelage.

Therefore, sooner or later, we will have a new Soviet Union. A more efficient and therefore a more dangerous one than the union set up by Lenin and consolidated by Stalin. As is known, the Soviet Union was a kind of new Tsarist empire. The republics were held together under

Russia's tutelage through the force of the communist ideology, particularly the force of the Red Army. Against the background of the great worldwide shifts that have taken place in the sphere of economy and science, the Leninist-Stalinist formula of empire proved increasingly inadequate. The Russian politicians, but also the KGB heads—looking at America's example—realized that economic domination would be much more efficient. This empire wants to be the new Soviet Union, rebaptized the CIS. The submission of the former republics to Russia will be much stronger than before. While they were forced to enter the former Soviet Union, now they will join it of their own accord. Hence, there will be maximum efficiency of the new Soviet Union. Parallel to the establishment of a Western bloc represented by the Common Market, an equally strong bloc is gradually emerging in the East. There is no doubt that this process suits the United States well. The new Soviet Union will represent an extraordinary counterweight to a united Western Europe, from both a geopolitical and economic viewpoint. Since the fall of communism, the United States has been following with concern the creation of a united Europe. After all, a formidable political and economic competitor is emerging on the other side of the Atlantic. Now, the Americans can breathe freely. Europe will enter into competition with the new Soviet Union, and the Americans, not involved in this confrontation, will be able to assume with delight the role of referee.

Unemployment Still Exceeds Million Mark

AU2009182093 Bucharest ROMPRES in English 1501 GMT 20 Sep 93

[Text] Bucharest ROMPRES, 20/9/1993—The number of unemployed was 1,039,324 (9.1 percent of the work force) by September 20, 1993, announced the Romanian Ministry of Labour and Social Protection. Other 363,627 unemployed were written off the labour offices' records for various reasons. A number of 962,094 unemployed were receiving unemployment benefits.

By the same date, a number of 7,715 jobs were available for the unemployed.

Foreign Media Bulletin: Balkan Crisis 22 September

WA2209171593

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian President Izetbegovic says new proposals not enough to satisfy Muslim side ... Bosnian Presidency member Abdic announces intention to establish autonomous province in western Bosnian enclave of Cazin that would back peace plan ... Croatian Government demands UNPROFOR expand mandate or withdraw from Croatian territory ... Yugoslav Foreign Minister Jovanovic says FRY will not recognize Macedonia until dispute with Greece settled.

DIPLOMATIC

IZETBEGOVIC: PROPOSALS NOT ENOUGH (Sarajevo Radio, TANJUG): Bosnian President Izetbegovic says "very little happened" at 20 September peace talks and that new concessions granting Muslims' additional towns in eastern Bosnia and access to Adriatic not enough to "facilitate signing" of peace plan. International mediators Owen and Stoltenberg announce talks may resume next week after Bosnian Assembly votes on new proposals. (AU2109195893, LD2109211593)

POLITICAL

ABDIC TO PROCLAIM PROVINCE IN CAZIN: According to TANJUG, Muslim member of the Bosnian Presidency Abdic announces plans to proclaim "the autonomous province of western Bosnia" in Cazin because Izetbegovic's policies are causing "only blood and new casualties," says supporters will "rise up in arms to defend" themselves, "if necessary." TANJUG reports local municipal assembly imposes "state of emergency" in response to Abdic's announcement. (LD2109172093)

FRY RECOGNITION OF MACEDONIA ON HOLD (TANJUG): FRY Foreign Minister Jovanovic announces Yugoslavia will recognize Macedonia "only after the settlement of its dispute with Greece" over what the new country would be named. (LD2109181693)

UN PROTECTION FORCES

ADJUSTMENT OF UNPROFOR MANDATE URGED (AFP): Croatian Government demands that UNPROFOR either expand its mandate to enable it to "disarm and dissolve Croatian Serb paramilitary groups" or withdraw from Croatian territory by 30 November. (AU2209120693)

Muslims, Croats Differ Over Access to Adriatic

LD2109212293 Belgrade TANJUG in English 2001 GMT 21 Sep 93

[Text] Belgrade, Sept 21 (TANJUG)—The apparent key obstacle to peace in war-wracked Bosnia-Herzegovina, insurmountable until now—the Moslems' request for access to the Adriatic Sea—seems to have been overcome in talks held on Monday [20 September] aboard the british aircraft carrier the Invincible.

Views of the deal held by Bosnia's Moslems and Croats, who are supposed to settle the matter between them, still differ and statements by the partners in talks appear aimed less at clarifying the matter and more at appeasing the domestic public, who expected more, or less, as the case may be.

Moslem Foreign Minister Haris Silajdzic told Bosnian television on Tuesday that the Moslems had been given access to the Adriatic Sea at three points.

Silajdzic said that agreement had been reached, but had not been signed. The Agence France Presse (A.F.P.) quotes the minister as saying that one of the points where the future Moslem mini-state in Bosnia-Herzegovina will touch the Adriatic will be at Neum and part of the adjacent Klek peninsula.

Neum, a predominantly Croat-populated town, was the point where the former Yugoslav Republic of Bosnia-Herzegovina touched the shore. Under the latest peace package, brokered by international mediators at Geneva late in August, Neum should belong in the Bosnian Croat state of Herceg-Bosnia.

Silajdzic said that agreement had also been reached for Croatia to lease to the Bosnian Moslem state for 99 years the use of part of the facilities of the port of Ploce, situated in the delta of the Neretva River in neighbouring Croatia.

Last, but not least, the Moslems are getting the right to build a river port between Visici and Celjevo in the delta of the Neretva, to receive ships from Ploce and other Mediterranean ports, said Silajdzic.

Meanwhile, the cabinet of Croatian President Franjo Tudjman in Zagreb released a statement to the effect that the Moslems' demand of Neum denotes "territorial aspirations for an area that has always been part of Croatian ethnic space and where Moslems have never lived."

"By making impossible demands, the Moslems are actually seeking to prevent the signing of the agreement," the statement said.

The statement described the talks aboard the Invincible as "very difficult" precisely because of the problem of Neum.

The statement further said that the meeting heard the report of a Franco-German commission about the possibility of a commercial port being built between Neum and Ploce. The report was negative, which means that "a port cannot be built on that stretch of the Adriatic coast", the statement said.

The statement made no mention of the details disclosed by Silajdzic, but it is clear that the Croatian president continues to speak in the name of Bosnian Croats, just as he did in his talks with Moslem leader Alija Izetbegovic at Geneva last week.

Izetbegovic: Progress at Talks 'Very Modest'

AU2109195893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 21 Sep 93

[Report by Stevo Latinovic]

[Text] [Begin recording] [Latinovic] In a packed conference hall brimming with local and even more foreign journalists, President Izetbegovic summed up the so-called Adriatic talks.

Following world media reports and some official statements, an impression has been created that the time for the signing of an agreement is not yet ripe, but an optimistic tone prevailed regarding the outcome of the talks. Is this truly the case?

[Izetbegovic] The fundamental problem is that nothing happened there or very little happened. Therefore, what would have been needed to facilitate the signing of a peace plan at the meeting in Sarajevo did not happen. Basically, our demands were not met there, or at least not to a sufficient extent. Therefore, we have stated clearly that we could not sign the agreement as it stood. We insisted that Lord Owen postpone the meeting scheduled to take place in Sarajevo. Since a crucial decision is involved, I requested that the Bosnia-Herzegovina Assembly meet again to pass the final decision about this proposal. This meeting is supposed to be held either on Monday [27 September] or Wednesday.

[Latinovic] Has there been any progress, as the media has reported:

[Izetbegovic] In my assessment [pauses], well I cannot say that there was no progress at all, but the progress was very modest.

[Latinovic] The two fundamental issues, which were the reasons for the talks aboard the British ship and concern Bosnia-Herzegovina and its future constitution, are the access of Bosnia-Herzegovina to the sea and correction of the maps with the aggressor, that is, the Serbian side:

[Izetbegovic] Regarding our access to the sea, three parallel solutions were offered to us. Regarding Neum, we were offered a piece of land and access to the coast. Simultaneously, a 99-year lease of the port of Ploce has been offered to us, with a free zone, including passage across Croatian territory via roads and railroads to meet

our needs. The third option is to build a harbor upstream on the Neretva River, above Metkovic, on our territory. This would be a commercial harbor with river access, that is to say, a free passage along the Neretva. I emphasize that these are not alternative solutions but parallel solutions. All three solutions are being offered to us simultaneously. Business people believe that the offer of Ploce is the most significant.

[Latinovic] When the Franco-German commission of experts was compiling a feasibility study on the construction of a harbor in Neum it concluded that it would not be exactly profitable. President Izetbegovic said the following about this at the news conference:

[Izetbegovic] To be brief: Their study contains negative assessments about the possibility of building this harbor. The expert group claims that this would be a very expensive construction, which would have very serious ecological consequences.

[Latinovic] The other issue in these talks was the territorial demands of Bosnia-Herzegovina toward the aggressor side. Let us listen to what President Izetbegovic had to say about this:

[Izetbegovic] Regarding territorial demands, we were given some minor concessions in eastern Bosnia that are, in my opinion, inadequate. According to these, Medjedja and Ustipraca would be given to us, as well as a part of the territory surrounding these villages. I repeated our demand that the territories where the Bosnian population use to form a majority be returned to the Bosnian Republic.

[Latinovic] As President Izetbegovic says, the Bosnia-Herzegovina Assembly must take a stance on this now.

[Izetbegovic] [Word indistinct] assembly to examine the possibility of simultaneously holding a meeting of the so-called Bosnian Assembly. Therefore, this idea is being worked on.

[Latinovic] Among the many journalists' questions we single out one in which President Izetbegovic is asked whether he would recommend to the parliament acceptance of the Geneva package:

[Izetbegovic] I cannot make any definite statements on this as yet.

[Latinovic] President Izetbegovic said that a great many factors have to be examined before a final decision is passed. These factors are: the normalization of humanitarian aid, refugees, the objective situation, and the possibilities that the international community will guarantee the implementation of the provisions contained in the agreement. [end recording]

Demands More Territory

LD2109201893 Belgrade TANJUG in English 2009 GMT 21 Sep 93

[Text] Belgrade, September 21 (TANJUG)—Bosnia-Herzegovina Moslem Leader Alija Izetbegovic said in Sarajevo on Tuesday [21 September] that the latest peace proposal did not meet with his approval and that he could not recommend its adoption to parliament.

REUTERS reported from Sarajevo that Izetbegovic told a press conference on his return from the British carrier 'Invincible' that the definite decision on the acceptance or non-acceptance of the peace plan would be adopted at a session of the pro-Moslem Bosnia-Herzegovina assembly on Monday or Wednesday next week.

Moslems are the main obstacle in the way of the signing of a peace agreement on Bosnia-Herzegovina because they come out with new territorial claims in every round of the talks.

Until the talks between the three warring sides—Serbs, Moslems and Croats—held on Monday with many mediators present, the main obstacle had been the Moslem demand to get a port on the Adriatic sea, which the Croats had categorically denied.

A compromise has now been reached in which Bosnian Croats will give Moslems a port, but it would not be on the Adriatic coast but on the estuary of the Neretva which flows into the Adriatic.

Izetbegovic said that the matter of a sea port had been resolved satisfactorily, having in mind the economic needs of the Bosnia-Herzegovina Moslems. However, Moslems must get more territory, he assessed.

Karadzic 'Discouraged' With Muslim Attitude

AU2109194193 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 21 Sep 93

[Interview with Radovan Karadzic, leader of the Bosnian Serbs, by unidentified correspondents; in English with superimposed Serbo-Croatian translation; place and date not given—recorded]

[Text] [Karadzic] It would be a success if the Muslims were to sign this package; unfortunately, I do not think they are serious regarding peace; we see that they need another week to reconsider and to gather together certain very important people. Since they do not have a parliament, they will assemble certain very important people and decide; next Monday most probably.

[Correspondent] Did they have any specific remarks?

[Karadzic] The main issue is their outlet to the sea, and the main discussions were conducted between the Muslims and the Croats regarding the coast.

[Correspondent] The UN spokesman said that the Bosnian Serbs have shown a great degree of flexibility?

[Karadzic] We have offered another concession; this is the seventh concession that we have offered, although we are entitled to withdraw all the concessions made earlier, and although they were made with the provision that a peace agreement be reached. If a peace agreement is not reached, we were entitled to withdraw these concessions. We did not withdraw them, and today we offered yet another; but that is enough.

[Correspondent] What was the concession regarding an exchange of territory in eastern Bosnia? Is there any possibility of exchanging territory?

[Karadzic] Only after the peace agreement. After it is signed and after peace has been established. An exchange of territory is possible between any neighboring countries.

[Correspondent] What was the decision? Is there going to be a meeting?

[Karadzic] This depends on the cochairmen. I believe they have everything under control. They are communicating with all of us, but I believe that the Muslims need another week. Winter is approaching and I am really discouraged; I believe that the Muslims are not serious regarding peace.

Karadzic: Concessions 'More Than We Can Afford'

AU2109150393 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 21 Sep 93

[Text] Here is how Radovan Karadzic, president of the republic of Srpska, assessed yesterday's talks aboard the Invincible in an exclusive interview for Radio Belgrade with our correspondent Dragan Colovic.

[Begin recording] [Karadzic] It is my assessment that this was a [word indistinct], which was supposed to secure success at Sarajevo airport today. The cochairmen probably could not allow themselves to go through a final ceremony that would not end successfully. This is why we had this preparatory meeting at which all the remaining unclear issues should have been harmonized and where we were supposed to prepare for signing the document.

[Colovic] You have mentioned certain unclear issues. Obviously, after everything that has occurred, these unclear issues have not been clarified?

[Karadzic] No, they have not. The Muslims' most important demand concerned the Croats and the outlet to the sea. The documents that we have harmonized so far incorporate the Croat side's agreement and acceptance of our natural right to an outlet to the sea, as well as the Muslims' natural right to the same. We have this right according to the Corfu declaration and according to other documents of international law. The sea is a universal element and no one can keep us 500 meters from it without giving us an outlet. However, the Muslims were in a great hurry to secure some kind of coast in Neum in order to be able to sign the document.

[Colovic] Yes. Therefore, they demanded territory, rather than a corridor to the sea?

[Karadzic] They demanded territory and a territorial link with the sea, and this caused a lot of problems with the Croats because they cannot allow their territory to be cut in half, although earlier, Bosnia cut through Croatian territory.

[Colovic] Yes, yes.

[Karadzic] Furthermore, the Muslims demanded 3 to 4 percent from the Serbs. This is an enormous quantity, and it is absolutely unacceptable.

[Colovic] Excuse me, Mr. Karadzic, could you say concretely what they demanded?

[Karadzic] In eastern Bosnia they demanded several cities; for example, Bratunac, and a part of the Zvornik (?Lasinicka) commune. All this is absolutely unacceptable because this slices into the Srpska republic and separates it from Serbia. We could not allow this. We made another minor concession—actually, it is not that small, around half a percent—that will not hurt our interests, but it will help them to find the plan acceptable.

[Colovic] What form does this concession take?

[Karadzic] This is a triangle of territory which mostly incorporates Muslim villages and which brings Zepa and Gorazde closer together; it reduces that corridor, and I consider this to be quite enough on our part, that is, it is more than we can afford to give. In western Bosnia, in the western part of the Bosnian Krajina, they demanded its best part—the valley of the Sana River; that cannot even be considered, absolutely not. It is out of the question. We told them so and now we shall see what will happen next. [end recording]

Karadzic Foresees 'Greater Serbian State'

AU2209080193 Belgrade BORBA in Serbo-Croatian 20 Sep 93 p 3

[Interview with president of the republic of Srpska Radovan Karadzic by Perica Vucinic; place and date not given: "September Rebellion of Disloyal Individuals"]

[Text] Banja Luka—From the viewpoint of young men and a part of the crisis headquarters of the September '93 action, who took part in it and remained loyal to the state and the supreme commander, the Banja Luka events cannot be called a rebellion. However, from the viewpoint of a small number of people who took part in it, this was a rebellion—a classic usurpation of power by force and a suspension of the institutions of the system—therefore, a putsch with the intention of provoking chaos

in Banja Luka, having the town placed under UN protection, and triggering chaos throughout the republic of Srpska. This is how the head of the republic of Srpska, Dr. Radovan Karadzic, views the Banja Luka action September '93.

[Vucinic] You have emphasized, on several occasions, that somebody stands behind the rebels. However, you have never named the person behind them.

[Karadzic] When we name them then it will be definite that this is so.

[Vucinic] You have not pinpointed them?

[Karadzic] For the time being we cannot. We know that there were numerous people who approached this headquarters and put forward suggestions, but I believe that they were not the main ones. These are the people who imagined that something big was being created and did not want to miss the train.

[Vucinic] The most frequent speculation is that everything was coming from the FRY [Federal Republic of Yugoslavia].

[Karadzic] There is no organized power from the FRY behind all this, however, further course of events will prove whether there are any individuals.

Suspension of the Communal Committee of the Serbian Democratic Party [SDS]

[Vucinic] Were you in contact with Serbian President Slobodan Milosevic during the last eight days of Banja Luka?

[Karadzic] We were in contact on two occasions, but regarding different things. Naturally, we also touched upon this. I told President Milosevic that we had full control, that we could resolve it in any way, but that we had opted for a painless solution, which he supported.

[Vucinic] A part of the army took part in the rebellion. Do you have any plans for the army? Reorganization, perhaps?

[Karadzic] Four weeks ago, I have issued an order regarding the army's reorganization to the General Staff. The reorganization, is therefore, forthcoming regardless of all the events. We are moving toward the army's professionalization, toward the creation of units that will be capable of strengthening the borders of the republic of Srpska. Some of them will have to return to production, as we must start creating the conditions for the life of the republic.

[Vucinic] It has been suggested occasionally that General Lisica took part in the Banja Luka rebellion.

[Karadzic] I have no such information.

[Vucinic] There is belief that the aim of all this was to cause a division within the leadership of the republic of Srpska?

[Karadzic] There have been attempts from abroad to find cracks in our leadership. There have been attempts to get another negotiating team, but they have failed. This was at the time when we rejected the Vance-Owen plan.

[Vucinic] On several occasions recently, you have announced a disciplining of the SDS in Banja Luka.

[Karadzic] The SDS communal committee in Banja Luka will be suspended. Although numerous members of this committee were good members and functionaries, the political authorities must be the first to bear the consequences. We need a committee that will cooperate efficiently with the president of the commune. We cannot allow Serbian rowdiness, quarrels about minor issues in the middle of the war—location within the town, positions within the Ministry of Internal Affairs—there are numerous issues over which the Serbs quarrel very easily and readily. We cannot allow this and, once the party platform is adopted, there will no longer be any lone rangers. No longer will anybody be able to resort to political folklore and entertain people with his idiotic statements.

[Vucinic] You have mentioned in this interview that the army will guard borders. What borders?

[Karadzic] The present front lines are the present borders. If the Geneva package is not signed the borders will run there. That is why we are surprised by the Muslims foot-dragging over the signing. It is precisely they who should hurry. We have a state and borders that entail nearly all of the Serbian territories, except the Neretva River valley.

Well, since we are interested in gaining access to the sea, since we wish to resolve this situation quickly and in a peaceful manner, and since we are interested in an as quick as possible lifting of the sanctions, we will accept the negotiations on the union and certain corrections of the borders, that is to say, a coordinated map. The map can be altered later, as I am interested in us getting a part of Mount Ozren, Kupres or Srbobran, and some traditionally Serbian territories through an exchange of territories. If the signing does not take place soon, we will go our own way, which we know exactly. And we will do so in big strides so that they will not be able keep up with us.

The Serbs Can No Longer Yield

[Vucinic] The world has already announced that peace will take place after the signing [of the peace plan]. How come that you are not an optimist?

[Karadzic] If the Muslim side insists on even more territories, then the package will not be signed. If they try to undo the package, there will no longer be any package as we will not be satisfied with it. I think that I will encounter great pressures to yield although we have made it plain to everybody that the Serbs can no longer yield.

[Vucinic] It is rumored that Serbia will give another 2 percent of its territory.

[Karadzic] This is nonsensical. Absolutely out of the question.

[Vucinic] Except through exchange?

[Karadzic] Yes, we can exchange some minor territories that are precious to the Muslims for some that are precious to us. Therefore, after the signing, the Muslims can go below 30 percent by their own choice. The international community is making sure to secure 30 percent for them, but they can go below this later. For example, Ozren accounts for 3 percent and I am very much interested to return it back to the republic of Srpska.

[Vucinic] In what way?

[Karadzic] This depends on what is precious and important for the Muslims. I see some great possibilities in the final solution for Sarajevo. The Muslims, if they wish to enjoy the center of Sarajevo and that this be the capital of their republic, must come to an agreement with us as soon as possible in order to definitively save Sarajevo. In this case, we would be willing to make some concessions that are territorially small but important in return for some territories that are percent-wise big but insignificant for them.

[Vucinic] What will ensue after the meeting at Sarajevo airport? The end or the continuation of the war?

[Karadzic] The signing [of the peace plan] and the continuation of the war are both possible. The question is of how the sides adhere to the agreement. However, it is possible that the plan is not signed and that the war does not continue. We do not want a war. We are willing to accept the status quo for 10 years. We have our own state that functions, as the events in Banja Luka have proven.

[Vucinic] But they have proven that the state is unstable.

[Karadzic] On the contrary, they have proven that the state has the strength to overcome such an unrest unscarred.

[Vucinic] Are you referring to the army or the police?

[Karadzic] The army, the police, the people, everybody.

[Vucinic] How do you see the republic of Srpska in 10 years' time?

[Karadzic] I believe that a creation of a greater Serbian state or the alliance of the Serbian states will take place.

[Vucinic] In 10 years?

[Karadzic] I believe that this will happen much earlier. If the international community will not allow this, then the republic of Srpska will have everything in common with the Serbian Krajina, Serbia, and Montenegro with the exception of a foreign minister. We will make everything else uniform—production, the economic and information systems, the economic links of entities—this will be one Serbian state, but we will be compelled to present ourselves differently to the world. However, I do not know why the world would demand such a thing. Finally, we will have another seat or two in the United Nations, which we will demand. If we unite with the Serbian Krajina, then we will demand one UN seat. The question is whether the United Nations will allow two seats for the Serbs. I believe that they would rather make us unite than allow this.

Silajdzic Discusses Possible Division of Country

LD2109121793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1011 GMT 21 Sep 93

[Text] Zagreb, 21 Sep (TANJUG)—Haris Silajdzic, foreign minister in the pro-Muslim Government of Bosnia-Herzegovina, told the Zagreb weekly DANAS that the disintegration of this former Yugoslav republic is "a current necessity," and that "the process ought to be finalized in order to save human lives."

According to Silajdzic, this is a phase through which we have to pass, but after some time "reintegration in that area will occur." He added that "the world also is a melting pot," and that "the same fate and reintegration await us." This is an "anachronism without a future," and this "sacrifice of Bosnia-Herzegovina will have a high price," one that "can already be felt in Europe."

Commenting on the declaration signed by Bosnian Muslims and Serbs, Silajdzic said that "it is similar, but not identical" to the agreement signed with the Croats.

Regarding a provision for a referendum on the possible secession of republics from the union of Bosnia-Herzegovina, Silajdzic said that "this will be put on the agenda only after a final settlement has been reached." However, he said, it is fair that people should decide how they wish to live. "Even such a solution is better than restarting a war, a horrible catastrophe," he declared.

NATO To Meet Mediators Over Partition Plan

AU2109180093 Paris AFP in English 1733 GMT 21 Sep 93

[Text] Brussels, Sept 21 (AFP)—International mediators Lord Owen and Thorvald Stoltenberg are due to meet ambassadors of NATO countries Wednesday [22 September] to discuss implementation of a peace plan for Bosnia-Herzegovina, NATO announced Tuesday.

NATO military experts are to present to EC mediator Owen and his U.N. counterpart Stoltenberg their ideas for implementing such a plan, a NATO spokesman told AFP.

To be implemented by the North Atlantic Treaty Organization the plan would have to be agreed by all the three

warring parties, and the United Nations would have to ask for NATO participation.

Ambassadors of the 16 NATO members last week asked military officials to start work on the plans.

It has been estimated that some 50,000 troops—half of which would be American—would be needed to put a peace plan into effect.

Owen and Stoltenberg will also meet NATO secretary general Manfred Woerner and the British president of the military committee Field Marshal Sir Richard Vincent.

General Alarm Sounded in Sarajevo

AU2109132893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 21 Sep 93

[Text] Because of the shelling of some parts of Novo Sarajevo Commune, a general alarm was sounded for the entire city at 1350. Therefore, we warn citizens of Sarajevo not to go out in the streets unless it is urgently necessary.

Croats Halt Muslim Offensive on Mostar

LD2109164293 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 21 Sep 93

[Report by Zdenko Vranjes from Mostar]

[Excerpt] At about 0900 this morning a Muslim offensive on Mostar came to a complete halt. Formations of the Croatian Defense Council [HVO] managed to drive the Muslim army out of the district of Rodoc, south of Mostar, parts of which were briefly penetrated by Muslim soldiers during yesterday's battles. The members of the Muslim army again committed crimes against civilians as they stormed several buildings in this district. HVO soldiers have found the bodies of six Croatian civilians, women and old people killed in their apartments, in Rodoc.

After 0900 most of the infantry battles and fierce artillery duels subsided. Later on sporadic explosions rocked the town center. Exceptionally heavy losses have been inflicted on the Muslim army in the battlefields of Mostar's southern suburbs. This is the main reason why the commander of the Muslim army, Arif Pasalic, has ceased ordering attacks in the Mostar theater, the HVO believe.

Over the past four days of Muslim shelling eight civilians have been killed and 39 wounded in the west part of Mostar. The command of the HVO central Bosnia operational zone claims that not a single inch has been lost by the HVO formations to the Muslim army's attacks on Vitez. The truth is altogether different from what the Sarajevo media are saying. They have even congratulated the Muslim army on taking Vitez, it is said in this command's statement. The statement also says that special Muslim units from Zenica and the Krajina Muslim brigade have suffered heavy losses in personnel and that the HVO has captured a large quantity of weapons, ammunition, and equipment in the battles near Vitez. [passage omitted]

Army Lists Territorial Conquests Around Mostar

AU2109195693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 21 Sep 93

[Text] The troops of the Bosnia-Herzegovina Army from the 4th and 1st Corps have managed to take domineering buildings above (?Dreznica), (?Velika Glajina), (?Meded) Hill, and the village of (?Dratnice), by which the Mostar-Goranci-Brda communication route has been completely interrupted. By taking (?Velika Glajina) and (?Meded), control over the Mostar-Listica plateau has been achieved.

The fighters of the Bosnia-Herzegovina Army managed to push back the forces of the Croatian Defense Council [HVO] around (?Bojno) hill, which was the sole stronghold of the extremists on the left bank of the Neretva River between Blagaj and (?Dreznica).

A part of the liberating troops crossed over to the right bank of the Neretva River in the area of Aviator's bridge. In further combat activities, our forces conquered a part of Rodoc settlement, which is only 1 km from the helipad, where a notorious concentration camp for the Muslims is situated.

Along with these actions, the forces of the Bosnia-Herzegovina Army have gained control over a part of Hum hill, which was a major HVO artillery stronghold and the most significant elevation above Mostar.

Simultaneously, a part of our forces on the left bank of the Neretva River conquered the crossroads and its surroundings on the Mostar-Nevesinje road and took control of this strategically important communication. Mostar hydro power plant 1 and Rastani on the right bank of the Neretva River have also been liberated without loss to the Bosnia-Herzegovina Army.

Civilians Killed in Muslim Attack on Novi Travnik

LD2209085993 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 22 Sep 93

[Text] Three civilians were killed and six wounded in a Muslim artillery attack on Novi Travnik last night. The morning is marked by usual Muslim army provocations from sniper and infantry weapons. For five months the population of Novi Travnik has been without electricity, for over a month without water, and now they have to go without bread after the local bakery shut down.

Muslim forces continued their mortar attacks against Lepenica near Kiseljak and on several occasions made unsuccessful attempts to break through the Busovaca defense lines.

Muslim infantry onslaughts in central Mostar and in the southern suburb of (Slotine) were repelled overnight. The Croatian Defense Council General Staff have announced that the Muslim army has been defeated completely on the southern Mostar battlefield.

Serbs Report Muslim Violations of Cease-Fire

LD2209102093 Belgrade TANJUG Domestic Service in Serbo-Croatian 0846 GMT 22 Sep 93

[Text] Doboj, 22 Sep (TANJUG)—Instead of observing the cease-fire, Muslim forces in the wider Doboj region have opted for infantry and mortar attacks against Serb lines along the entire front, the operational group for Doboj of the army of the republic of Srpska stated today.

From the direction of Prljaca, the Muslims, supported by artillery, attempted two heavy infantry breakthroughs of the defense lines heading toward Putnikovo Brdo, but their attempt ended in failure.

At the same time, from the direction of Matuzici, several mortar shells were fired on the Serbian village of Pridjel near Doboj.

Muslim formations also carried out heavy mortar shelling on the Zavidovici front. On the Teslic front there were provocations from infantry weapons. Provocations were also in evidence on the Maglaj and Trepce [name as received] fronts.

Proclamation of Autonomous West Bosnia 'Imminent'

LD2109172093 Belgrade TANJUG in English 1651 GMT 21 Sep 93

[Text] Zagreb, Sept 21 (TANJUG)—The member of the rump Moslem-led Presidency of the former Yugoslav republic of Bosnia-Herzegovina, Fikret Abdic, on Tuesday [21 September] announced the imminent 'proclaiming of the autonomous province of western Bosnia' in the Cazinska Krajina.

In an interview to the Zagreb daily VECERNJI LIST, Abdic warned that the policy of the Bosnian Moslem Leader Alija Izetbegovic and his aides 'brings only blood and new casualties' to the Moslem side and added that an initiative for the establishment of the autonomous province had been signed by about 80,000 citizens.

Accusing Izetbegovic of the desire to use the Bosnian Moslem army to put down this 'democratic initiative' of the peoples of the Cazinska Krajina, Abdic said he was the only one who had managed to 'establish good-neighbourly relations with the other two nations (Serbs and Croats) in the region.

'The people of Cazinska Krajina will follow all whose intentions are good and well-meaning and, if necessary, they will rise up in arms to defend their country,' said Abdic.

In the Cazinska Krajina area martial law was imposed on Tuesday and the municipal assembly is in permanent session, the local radio reports.

Martial law was imposed after Abdic's recent appearance on Croatian television when he reiterated his proposal for the establishment of the autonomous province of western Bosnia, and because of his disagreements with the local Moslem commander, the radio says.

The Cazin authorities demand that the Moslem presidency also declare itself on Abdic's proposal.

Abdic, a moderate Moslem politician, advocates that Cazinska Krajina be an autonomous province within the republic of Bosnia, i.e. the future union of Bosnia-Herzegovina, and urges the resumption of the peace talks on Bosnia-Herzegovina in Geneva.

'State of Emergency' Reported

LD2109165493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1313 GMT 21 Sep 93

[Text] Cazin, 21 Sep (TANJUG)—A state of emergency has been imposed in the municipality of Cazin, while the municipal assembly is in permanent session, the local Cazin radio announced today.

The radio says that the state of emergency was imposed after Fikret Abdic had made a statement to Croatian television presenting his idea that the Cazin Krajina become an autonomous province of western Bosnia; it was also imposed because of Abdic's disagreement with Ramiz Drekovic, commander of the 5th Corps of the Muslim army.

According to the radio, signatures for Abdic's initiative are still being collected in Cazin Krajina; today this is even being done in the public security station in Cazin, although this was banned by deputies to the municipal assembly.

The municipal assembly of Cazin, which is in permanent session, demands that the assembly of the Bihac district begin its permanent session and that Alija Izetbegovic's Sarajevo-based Presidency voice its stand on Abdic's initiative.

Government: Adjust UNPROFOR Mandate or Withdraw

AU2209120693 Paris AFP in English 1134 GMT 22 Sep 93

[Text] Zagreb, Sept 22 (AFP)—Croatia said Wednesday [22 September] it would ask the 14,000 U.N. troops deployed there to be either withdrawn by November 30 or to be given greater powers by the U.N. Security Council.

The Croatian National Security and Defence Council, meeting Tuesday night under the chairmanship of President Franjo Tudjman, agreed it could not accept a renewal of the U.N. Protection Force's [UNPROFOR] mandate as currently proposed by U.N. Secretary General Butrus Butrus-Ghali.

Butrus-Ghali recommended in a September 20 report to the U.N. Security Council that UNPROFOR's madate, which expires on September 30, should be renewed for six months with no notable changes in its commission.

A government statement published by the official Croatian news agency, HINA, said the secretary general "completely ignored" Croatian demands that UNPROFOR soldiers be enabled to disarm and dissolve Croatian Serb paramilitary groups.

Butrus-Ghali has no plans either to fix a date when the Croatian Government's authority be re-established in zones currently controlled by the Serb separatists in Krajina (a quarter of Croatian territory), the statement added.

"If the Security Council approves the secretary general's report without modifying it, Croatia will be forced to ask UNPROFOR units to be withdrawn before November 30, 1993."

Butrus-Ghali has accepted just one of Croatia's demands by agreeing to split UNPROFOR's mandate into three distinct ones, for Croatia, for Bosnia-Herzegovina and for Macedonia, the communique added.

Tudjman's Office Explains Reasons for Retaining Neum

LD2109145893 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Sep 93

[Text] A statement for domestic and foreign journalists by Vesna Skare-Ozbolt, press officer of the president's office:

Talks held yesterday on board the British aircraft carrier Invincible were—as the president himself said—very difficult because the Muslim side continues to insist upon getting the area of Neum. The meeting examined a report previously drawn up by a joint Franco-German commission regarding the possibility of building a commercial port on the coast between Neum and Ploce. The conclusion of the commission was negative, meaning that a port near Neum cannot be built.

The Croatian side stressed that the building of the port near Neum is also impossible for economic reasons because the tiny bay of Neum is shallow and the coastal area is highly urbanized, while access to the sea is difficult. There is no necessary infrastructure in the hinterland of Neum because it is connected with its hinterland only by a bad road, while the construction of a railway line would be very difficult and expensive.

Ecological reasons are also very important for Croatia, as the area of Mali Ston is extremely rich in flora and fauna. In this area—except for agriculture, fishing and tourism—there are no other branches of economy. The legal environmental aspect should also be emphasized, which Croatia is bound to observe as a signatory of international conventions, such as the Barcelona convention on the protection of the Mediterranean, four protocols regulating the protection of sea and land, and Croatian home laws.

An agreement was reached five years ago between Bosnia-Herzegovina and Croatia on the restriction on building new facilities in Neum and the regulation of the sewerage system. Hence, the construction of the port in Neum would be a complete ecological catastrophe for this part of the Adriatic sea.

The Franco-German commission also came to these conclusions. Croatia has offered to the Muslims the free zone of the ports of Ploce and Rijeka for the needs of their republic. Ploce is particularly suitable for that purpose. The port is modern and well-planned, and its capacity can satisfy a far larger area than Bosnia-Herzegovina. The ports are well-connected with the hinterland because they have a good coast and a good railway line to Sarajevo.

Alija Izetbegovic was informed about all the aforementioned reasons and also about the report by the Franco-German commission, but he still insisted on having access to the sea at Neum, justifying it now with psychological reasons.

It can therefore be concluded that the Muslim side only has territorial pretensions to an area that has always been a Croatian ethnic area and where Muslims have never lived, or by demanding the unattainable, when, in reality, they wish to prevent the reaching of a solution.

Tudjman: Liberation of 'Occupied' Areas Key Task

LD1809195293 Zagreb Radio Croatia Network in Serbo-Croatian 1620 GMT 18 Sep 93

[Speech by President Franjo Tudjman at Varazdin liberation anniversary celebration—live]

[Excerpt] [Passage omitted]

Dear friends, the most important and priority task is crystal clear: the liberation of those areas that are still occupied. To achieve that, we need patience, wisdom,

and also determination. We shall try to achieve that goal with as few casualties as possible, and if at all possible by peaceful means, with the help of the international community.

As you know, sanctions have been threatened against us because, due to a concatenation of circumstances, all sorts of interests of the great European—and also world—forces are arrayed behind Croatia's back. It is not easy to steer the Croatian ship in these world tempests. But as I said, we shall try to bring about the liberation of those Croatian areas and the end of the war in Bosnia-Herzegovina in such a way so as not to demand more sacrifices. But I have said before, and I reiterate, as I reiterated in my letter to the UN secretary general in respect of the review or the redefinition of the mandate of the UN peacekeeping forces: If necessary, Croatia is a military force today. The Croatian Army, the Croatian Home Guards, the Navy, and as you have heard, the Croatian Air Force, are ready and capable of accomplishing the task of defending the Croatian homeland and establishing sovereignty over the Croatian land. That is, we shall remain faithful to our policy of coming to peaceful solutions to prevent victims and destruction, but, of course, we shall not tolerate this situation going on for years. We shall restore our road traffic, we shall establish constitutional and legal order over all parts of the country in such a way as circumstances demand—international circumstances—using our forces in the most expedient way for the Croatian people.

I have no doubt that the Croatian people, as it has done hitherto, will demonstrate the complete political maturity and national awareness to pursue the policy of that state leadership that has led to Croatian democracy and Croatian freedom. And one should have no doubt that we shall succeed in this. Today I am more convinced than ever before that this will be sooner than might be expected. Of course, we now have nothing more at our disposal than our own strength and reliance on our own people. If we do not all know how to help ourselves, God will help us. [passage omitted]

Officials on Need To Free Occupied Territories

LD2109235193 Zagreb HTV Television in Serbo-Croatian 1730 GMT 21 Sep 93

[Report by correspondent Stanko Culina with recorded remarks by Luka Bebic, Croatian assembly committee for internal affairs and national security and General Janko Bobetko, chief of the general staff of the Croatian Army in Gospic on 21 September]

[Text] A meeting was held in Gospic today between the command of the Gospic corps area and officers of the UNPROFOR's [UN Protection Forces] Canadian battalion. It was stressed during the meeting that the demarcation line was being observed by both the Croatian Army and Serbian rebels. The meeting was used to resolve all outstanding issues. Tomorrow, maps, including those of the mine fields, will be exchanged and formalities settled. As Stanko Culina reports, this will mark the beginning of work to implement an agreement on deploying UNPROFOR units in the villages near Gospic from where the Croatian Army has withdrawn.

[Culina] Out of necessity, Croatian policy must be a combination of military onslaughts and diplomatic activity. We have tried everything and will continue to do our utmost to restore authority peacefully throughout our state. Following our military operations in Lika, both the chetniks and the international community became aware that Croatia had enough strength to advance. These are some of the highlights from a speech by Luka Bebic, chairman of the Croatian Assembly's Committee for Internal Affairs and National Security, to political, economic, military, police, and cultural personalities he met in Gospic today.

The withdrawal of the Croatian units from the conquered villages is yet another sign of Croatia's determination to persevere in its efforts to find a peaceful solution to the conflict. If UNPROFOR again fails to carry out its task in the field, we will see it as firm evidence of its incapacity to execute its mandate. Our convincing military victories will be translated into our diplomatic activity.

[Bebic] The significance of these events lies in the fact that we are only a few days away from the day when the UNPROFOR mandate, which expires on 29 September, is due to be redefined, and also as an indication of flexibility in Croatia's state policy and of the strength of the Croatian Army, which became obvious in this region and in some other parts of the temporarily occupied Croatian territories.

[Culina] What the successfully executed action in Lika has shown to both the chetniks and the world, and why it is important for Croatia, was explained clearly and briefly by General Janko Bobetko, chief of general staff of the Croatian Army.

[Bobetko] For the first time since the action, they must have reached the conclusion that the time for Serbia and its adventure is over and that it can no longer punish Croatia, that Croatia has become a force capable of tackling its own problems if necessary, and that they will be punished the moment they raise their hand against Croatia. The time when they were allowed to go on the rampage is over.

[Culina] However, at the same time Gen. Bobetko stressed that the Croatian Army halted its attacks and withdrew because it suited Croatia's state interests. The ball is now in UNPROFOR's court. We will continue to observe all our commitments, but at the same time are prepared to move forward.

Krajina's Hadzic Claims Osijek, Vinkovci

AU2109160093 Paris AFP in English 1552 GMT 21 Sep 93

[Text] Belgrade, Sept 21 (AFP)—The leader of Serb separatists in Croatia, Goran Hadzic, has claimed the towns of Osijek and Vinkovci in eastern Croatia as part of the self-declared Serb republic of Krajina (RSK).

"We must settle the question of the border (between the RSK and Croatia) so that Vinkovci and Osijek become part of our Serb state," Hadzic said in an interview published Tuesday in the Belgrade weekly NIN. The two towns lie just outside the self-declared republic.

"I think we will win Osijek and Vinkovci in an escalation of the clashes launched by the Croats," he added.

Serbs and Croats engaged in bitter fighting in 1992 around the two towns, which remained under Croat control, while the neighbouring town of Vukovar was taken by the Serbs after a siege lasting several months.

Sporadic fighting has taken place in recent weeks between the Croat army and the Krajina Serb separatists.

UNPROFOR on Serb-Croat Demarcation Line

LD2109200393 Belgrade TANJUG in English 1406 GMT 21 Sep 93

["Pool" item]

[Text] Knin, Sept 21 (TANJUG)—Although the French-Canadian troops within the U.N. Protection Force (UNPROFOR) took control over the villages of Citluk and Divoselo, republic of Serb Krajina (RSK), on September 17, the demarcation line was agreed with the Croatian Army as late as Monday [20 September], Captain Marc Raulleau told a press conference in Medak on Tuesday.

According to Cap. Raulleau, the U.N. peacekeepers have been deployed along the line which existed before Croatia's aggression on RSK, while the Croatian forces are positioned from one hundred metres to three kilometres away, depending on the terrain.

On September 9, the Croatian Army razed to the ground 11 Serb villages in RSK (which was proclaimed a U.N. Protected Area—UNPA in the spring of 1992) and in the villages of Divoselo, Citluk and Pocitelj (south of Gospic) brutally massacred at least 50 civilians and RSK soldiers before withdrawing last Friday.

In the past year, this is third Croatian attack on RSK territory.

RSK was proclaimed in 1991 in parts of the former Yugoslav Republic of Croatia with a majority Serb population in response to Croatia's forceful secession from the former Yugoslav Federation.

UNPROFOR reports say that the atrocities committed over the Serb population in "Operation Gospic" were clearly planned in advance and carried out on purpose with the approval of the Croatian Army High Command.

Cap. Raulleau confirmed that UNPROFOR members had to use force to repel the Croatian Army and take control over the region and that the Croatian troops opened infantry fire on them.

He also said that UNPROFOR civilian police and troops have so far found 11 bodies of fighters and civilians from Divoselo.

Serbs Launch Shelling of Zadar

LD2109161193 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 21 Sep 93

[Report from Zadar by Toni Pajkin]

[Excerpt] The Zadar area started shaking under a chetnik attack at 1130. In an initial attack on Zadar around 10 shells hit the town which fortunately caused only material damage, I say only that, because the lives of the people living in this area were spared. Following a short lull, attacks on the Zadar town quarters continued at 1320, and from then the town shook with explosions for half an hour. It is difficult to say how many shells were fired on the town area because detonations reverberated all the time. The attacks died down at around 1430 gmt. Since then Zadar has been quiet, but the thunder of artillery fire can be heard coming from the hinterland. According to the latest reports from the Zadar hospital, there have been no casualties. There have been no reports on what is happening at the battlefront in the Zadar hinterland. [passage omitted]

Parliament To Seek NATO Membership

LD2109224093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1312 GMT 21 Sep 93

[Text] Ljubljana, 21 Sep (TANJUG)—Slovenia should soon make an official request for membership in NATO—the [parliamentary] Defense Committee of this former Yugoslav republic has decided. The Slovene Parliament is likely to discuss the issue as early as either this month or the beginning of the next. The chances of deputies resisting persistent efforts by Defense Minister Janez Jansa, to join NATO as soon as possible, are slim. However, there is no indication of the military alliance's view of Slovenia's chances of becoming a member.

Explaining the reasons for wanting Slovenia in NATO Jansa says that "in Slovenia there are signs of burgeoning nostalgia for common Yugo-defense."

However, there is growing criticism of the military-political situation in the nascent Slovene state. New Slovene General Avgust Vrtar recently said that the present-day military-political situation in Slovenia was worse than immediately after independence. Zmago Jelincic, leader of the Slovene National Party [Slovenacka Nacionalna Partija], went as far as to warn that the combat readiness of the new Slovene Army decreased rather than increased following secession, and that "machinists prevail among Slovene officials" [reference to Tito].

Jansa's efforts to take Slovenia into NATO can be interpreted as yet another maneuver designed to secure fresh funds for the military—something that is opposed by the majority of the population.

Jelincic Says Defense Ministry Behind Dismissal

AU2009152093 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 20 Sep 93

[Text] Former chairman of the [State Chamber] Defense Commission, Zmago Jelincic, called a news conference for this afternoon at which he is expected to explain the reasons for being relieved of his post. Prior to the news conference, Jelincic told our radio station of the following two reasons:

[Begin Jelincic recording] The first reason for the call for my replacement was the Commission's request that [Defense Minister] Mr. Jansa produce a list of officers in the Territorial Defense, stating the rank and education of each. Had this been done, some bizarre information would have come to light. There is still a vast number of non-Slovenes in the Territorial Defense and there is an enormous number of people who do not have the necessary education. For example, there are colonels who should have military academy qualifications but have only a secondary school education, and suchlike. That is the first reason.

The second reason is perhaps an unpleasant question involving an anonymous letter concerning Croatian intelligence agents crossing the Croatian-Slovene border with the permission of the Defense Ministry and the Interior Ministry to do so freely. The debate about this issue was postponed for three months until a representative of the Slovene Intelligence Security Agency removed its classification as a state secret and only then did all this start. However, it seems that the Defense Ministry does not like unpleasant questions. [end recording]

New Slovene Ambassadors Appointed

93BA1463A Ljubljana DELO in Slovene 2 Sep 93 p 1

[Article by Romana Dobnikar-Seruga: "Six New Ambassadors Are Going Abroad in a Few Days"]

[Text] Ljubljana, 1 Sep—These days six new ambassadors are preparing to leave for Slovene embassies abroad: Ivan Senicar is going to Beijing, Dr. Andrej Capuder to Paris, Peter Tos to Cairo, Franco Juri to Madrid, Jasa L. Zlobec to Brussels, and Dr. Jozef Kunic to Tehran.

After Dr. Andrej Capuder had already declined the offer of an ambassadorship in Paris last spring, and last June the Assembly's commission on international relations rejected a proposal to appoint then Deputy Prime Minister Dr. Leo Seserko to that position, former Minister of Culture, writer, and novelist Dr. Andrej Capuder is nevertheless leaving for France, which has had its own ambassador in Ljubljana for more than a year. The diplomatic career of Franco Juri, former Assembly deputy and DELO caricaturist, is also starting after a delay, since Argentina did not grant him agrement and he was instead a candidate for the ambassadorship in Spain. The third person, who is coming out of political circles and like the first two does not have any diplomatic experience, is deputy Jasa L. Zlobec, who is leaving for Brussels, where he is also supposed to "cover" Luxembourg and the Netherlands, in addition to Belgium. With his arrival, Slovenia will have two representations in Brussels: one for the Benelux states and one for the EC.

Two newly appointed ambassadors are coming from diplomatic ranks; however, Ambassador to China Ivan Senicar was, among other things, the Yugoslav ambassador in Ethiopia, and recently a secretary general at the Foreign Ministry. Peter Tos, who is leaving for Cairo, acquired diplomatic experience as the Yugoslav ambassador in Tanzania, but is better known to the public as an adviser in the Foreign Ministry, who handled relations with Croatia. Dr. Jozef Kunic, until recently, was a Ljubljanska Banka representative in Tehran.

Data on Ambassadors

93BA1463B Ljubljana DELO in Slovene 2 Sep 93 p 5

[Article by Romana Dobnikar-Seruga: "Capuder Is Going to Paris, and Jasa Zlobec to Brussels"]

[Text] *Six new Slovene ambassadors are going abroad; more new representations in Athens, Tel Aviv, Kiev, and Singapore by the end of the year.*

Ljubljana, 1 Sep—Slovenia currently has 27 embassies in the world (formally opened by presidential decree, although in Warsaw, Athens, Tel Aviv, and Singapore, for example, they are not actually in operation yet), four permanent missions (at the UN in New York, the UN office in Geneva, the EC in Brussels, and the Council of Europe in Strasbourg), and five consulates general. About 90 people are employed in them.

Although the Foreign Ministry does not like to talk about specific names of appointed ambassadors until they receive agrement (approval) from the state where they want to be accredited, the names of the new ambassadors are no secret, since they have already been published in URADNI LIST [Official Gazette], and the appointments of some of them started political polemics. Among them, the name probably in the forefront is Jasa L. Zlobec, who was (unofficially), like Andrej Novak, a candidate for the ambassadorial position in Paris, and above all is considered a person whom the Liberal-Democratic Party [LDS] wants to get rid of "by diplomatic means." The appointment of former LDS deputy Franco Juri as ambassador to Spain is also supposed to have a similar political background. A year ago Juri was a controversial candidate for ambassador to Argentina for several political parties and Slovene emigrant circles in Argentina, and finally he was the first Slovene diplomat not to receive agrement from the host country. Dr. Capuder's departure for Paris ends a long story about seeking a suitable candidate, since back in January 1991 the government decided precisely on him, but he declined the position. Ivan Senicar and Peter Tos are two of the still rare high-level experienced personnel at 27 Gregoriceva so far successfully kept at home, whereas the new ambassador to Iran, Dr. Jozef Kunic, is a former Ljubljanska Banka representative in Tehran. The main reason for opening an embassy in Tehran is economic interests.

With the growing number of ambassadors and embassies, the issue of the quantity and quality of Slovene diplomatic and consular representations abroad is increasingly relevant. The Foreign Ministry is planning to have the embassies in Singapore, Athens, Tel Aviv, and Kiev start operating this year, and it thinks that later on it will also be necessary to open diplomatic and consular representations of the highest rank—primarily to represent Slovenia's economic interests—at least in India, Turkey, Kenya, and South Africa. There would thus already be more than 40 Slovene diplomatic and consular representations abroad. Furthermore, some resident ambassadors have also been appointed as ambassadors to neighboring states: for instance, Ferenc Hajos will cover Romania from Budapest, and Dr. Ernest Petric will cover Mexico from Washington. It is interesting that the government has not yet decided in any case on the cheaper possibility of a traveling ambassador, headquartered at the Foreign Ministry in Ljubljana, who would only periodically visit the country where he would be accredited. So far, that possibility has only been planned for Albania.

Federal

Foreign Minister on Recognition of Macedonia

LD2109181693 Belgrade TANJUG in English 1725 GMT 21 Sep 93

["Pool" item]

[Text] Belgrade, Sept 23 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic has said that Yugoslavia will recognize the former Yugoslav Republic of Macedonia only after the settlement of its dispute with Greece.

In a statement given in Belgrade to the Greek news agency SKY, Jovanovic said also that Yugoslavia is very interested in stable and good relations on the Balkans and that it urges a settlement acceptable both for Skopje and Athens to be reached as soon as possible, the Macedonian news agency MPA in Salonika reported on Tuesday.

According to Jovanovic, this would speed-up the process of stabilization in the Balkans.

Macedonia is the only former Yugoslav republic which broke away peacefully (in the year of 1992) from the Yugoslav Federation. Its right to the name of Macedonia has been challenged by neighbouring Greece, which believes that this indicates territorial aspirations towards the northern Greek province with the same name.

This republic has also been admitted to the membership of the United Nations under the temporary name of "The Former Yugoslav Republic of Macedonia."

Columns of Cars Bringing Oil From Hungary

93BA1441D Belgrade BORBA in Serbo-Croatian 23 Aug 93 p 21

[Article by Dusan Vijuk: "Petroleum to Subotica, Foreign Exchange to Tompa"]

[Text] The sanctions and troubles which have befallen us have turned Subotica into a city in which at the moment there is a much larger supply of petroleum products than in Pancevo or Novi Sad or the refineries there. But even places like Tompa, in the Hungarian border zone, which until yesterday were villages, are day and night, without interruption, "gathering in" more German marks than in much larger urban settlements in the interior of the country of our northern neighbors.

An unbroken line of vehicles of all possible Yugoslav registrations is flowing into Hungary literally by the hour and the minute, although they may wait as long as 10 hours or so to cross the border. There is an equal number of cyclists who with their modest baggage do not arouse great "suspicion" from Hungarian customs officials, who, incidentally, do not look nearly as "terrible" as we sometimes represent them. For those who encounter them frequently, both now and earlier, there is no great difference. At least here at Kelebija. During three successive crossings of your reporter, in all he saw two passenger cars sent back out of the line to Subotica. One was carrying a dozen gasoline cans and the other at least two dozen bottles of alcoholic beverages, with the one long known here as Napoleon dominant among them.

In Tompa, the price of a liter of alcoholic beverages is 30 to 35 forints, not enough even for a 60-watt bulb, so that the persistent smuggling is not clear at all, at least in accounting terms, because the prices of alcoholic beverages are also high in our country, higher than in Hungary.

At the border crossing, the drivers and passengers do not sit in the cars, but find places along the road. They get up only occasionally when the cars have to be moved 10 or 15 meters. In the kilometer-long line, this movement at a snail's pace has introduced the rule that the automobiles are pushed rather than driven. Incidentally, gasoline is expensive, and there is time to kill. There is not a great deal of talk, because the short distance to the border checkpoint has an almost discouraging effect. The cars are moved in silence. After three and a half hours, we enter the "curve" about a kilometer from the border. In the meantime, the cars of VIP's pass with police escorts and revolving lights, and they reach the border without waiting. Both of them. Nor is the number of those who break into line negligible, mainly these are cars with Subotica, Belgrade, Sabac, Loznica, Kovin, Valjevo, Ruma, Sremska Mitrovica, or Novi Sad registration; they, say the people in the line, are already "quite at home" here. Somewhere between the two borders they have had their permanent "bases" in Subotica houses for days and months now. Those who are "working" on the short term even bring their own "can guards" and place them in the woods, right along the border. That is where they sleep, eat, and do everything else that is necessary. On the sand and in the nearby woods. For both, gasoline is the main "business," as they themselves say, "the right glue for German marks."

People from Subotica, of course, are the most numerous. You would think there city is in Kuwait with its gasoline, diesel fuel, and heating fuel. Some have turned this into a permanent business—you dial their number, you say how much you need, and your order arrives without reproach at a price of 2 German marks [DM] per liter, which also includes filling and delivery. A true "European-level" service. For others, the problem is transport to the south of our homeland.

After a wait of nearly five hours, we reach the border. The woman next to us warns that "we must light the dimmers even in the daytime because this is the most recent 'trick' of the Hungarian transportation police to take 500 forints from us, which is slightly less than DM10." The exchange rate, incidentally, is 55 forints for DM1. Thus, we received two bits of useful information and expressed understandable gratitude. The third is that we must unfailingly exchange "at least DM10" at "Ibusz" at the Hungarian border, because then there is

"less likelihood of their bothering you about detergent, gasoline, soap, deodorant, and everything else that is bought there."

The exchange rate is only 51.26 forints, adds a blond young woman from a vehicle with Subotica license plates. I recall that at one time that was the exchange rate for the dollar and Ante Markovic's dinar. As for the Hungarians, their "exchange rate" has always been very "stable," as though since 1950 they have had the most stable economy and money in the world. The "exchange rate" has never been affected by Hungary's debt, which at the end of Kadar's rule amounted to about $11.5 billion. And that is no small burden for the approximately 10.5 million Hungarians.

The Yugoslav border policeman, tired and sweaty, is checking papers, but the customs official indicates that we are to stay in line. We need approximately two more hours to reach the Hungarian border crossing. The policeman is carefully noting down all the information from passports, and the customs official seems not to believe that we are carrying nothing. "Shen mi," he repeats behind us. Where are you going? he asks. But we are accustomed to this questioning, we answer—to Kiszkunhalasz. If we say to Tompa—it will be clear to him that we are going for gasoline. On the stand in front of him, there are at least six crates of Vinjak and Napoleon brandy. A virtual small drugstore of alcoholic beverages. Finally, we get a permit to enter Hungary. Just a few hundred meters there is a new line, this time in front of the gasoline station right as you enter Tompa. The picture is the same at the other station as you leave Tompa. Numerous cans appear as if by magic. Large and small. I do not know how they got by the "attention" of the customs officials. The small ones are filled from the big ones with rubber tubes or by pouring.

When we got back to the border, we were not inspected either by the Hungarian policeman or the customs official. At the Yugoslav border, it was a bit different—the customs official was interested in everything we had purchased. Instead of talking, we opened the trunk. Modest, too modest for what was commonplace here. A bicyclist passed us with a full knapsack containing far more things than in the two trunks of the Stojadin.

"How did it go?" we heard the question directed to the driver behind us.

"The same as it was here four years ago, just for marks, not for dinars," replied our temporary neighbor with Belgrade license plates.

We entered Yugoslavia from the lighted border area. In the gloomy darkness, after the 12 hours this "business trip" had taken, which people of Subotica and many other Yugoslavs travel at least once every day. The Hungarians allow one entry a day, and the other is attempted on the basis of "if it works, it works." And it does work.

[Box, p 21]

Cans of Raspberry Syrup

"It is a simple matter. When the customs official asks what I have in the cans, I say they are from raspberry syrup which I am returning, because I put down a deposit. The gasoline is red, so that when I come back I answer that same question by saying 'raspberry syrup.' That is what it says right on the label," I was told by someone from Subotica.

Nighttime "Harvest"

In Tompa, many shops are open all night. Business flourishes on the system of DM10 for 550 forints. And the marks are converted to Hungarian currency: 398 forints for Faks detergent made in Croatia, 108 forints for eight rolls of toilet paper, 53 for rice, 80 for soap, 120 for two liters of tonic water, 128 for Coca-Cola, 28 for a 60-watt bulb and 38 for a 100-watt bulb, notebooks are bought by the dozen, 1.5-volt batteries cost 59 forints apiece, the famous Vajkrem 57 forints, and half a kilogram of Rama margarine 180 forints. A liter of 98-octane gasoline costs 78, 92-octane 74 forints, and motor oil from 100 to 250 (made in Belgium). At the station as you leave Tompa, the 92-octane gasoline being sold was Romanian, and its retail price in Romania is 60 pfennigs. Here, it costs about DM1 and 40 pfennigs. Nice profit. No doubt about that. The harvest of Yugoslav marks is in full swing here. They are reaping even at night.

Serbia

Kosovo Albanian Students Boycott School

AU2209114993 Belgrade POLITIKA EKSPRES in Serbo-Croatian 20 Sep 93 p 4

[Report by Radica Momcilovic: "An Introduction to Separation"]

[Excerpts] For a third autumn in a row, young ethnic Albanians in Kosovo-Metohija have been directed to boycott lessons in regular schools. More than 300 pupils and several tens of thousands of students, led by the secessionist idea, have gone underground. They are allegedly attending lessons in "their" schools and according to "their program," and for doing so are receiving certificates and diplomas signed by an illegal leadership and issued by an illegal government.

Although some indications of the existence of a parallel school system were obvious long before, everything came to light at the moment when Serbia finally decided to unify its state and, which is completely normal, to put the entire school system under its jurisdiction.

"As is known," Prof. Miodrag Ignjatovic, adviser to the Serbian education minister, says, "first with amendments to the 1989 constitution and then with the new

constitution, Serbia put education back under its jurisdiction in order to protect its integrity."

Everybody Has Same Rights

The constitution has no detailed provisions regarding schooling in the languages of minorities, except for the provision that members of national minorities have the right to be educated in their languages according to law.

Laws envisage that school plans and programs should always be made in such a way that they make it possible to meet special needs of all ethnic communities living on the territory of Serbia as a multiethnic state. It is has already become a practice to have representatives of science and culture of all peoples and nationalities in Serbia actively join the preparations of these plans and programs.

According to that practice, in this critical 1990, representatives of Albanian educational authorities were invited to Belgrade. They were Muhamed Bicaj, then provincial secretary for education; Halim Hiseni, director of the Provincial Institute for Furthering School System; and Zeci Deli, secretary of the Educational Council.

Abuse of the Agreement

Prof. Ignjatovic says that representatives of the Albanian educational authorities then sent to schools the plans and programs that the Kosovo Educational Council adopted although it was not authorized to do so. By the way, representatives of Serbs, Montenegrins, and Turks failed to express their views about these plans and programs, but, having realized what was being done, demonstratively walked out of the Educational Council session. [passage omitted]

This was a great overture to the boycotts that were to follow and above all a test presented to Serbia with a view to seeing to what extent it is ready to renounce its statehood and recognize the Kosovo republic.

Poll Shows Rising Popularity of Radical Party

AU2209094693 Belgrade POLITIKA in Serbo-Croatian 18 Sep 93 p 9

[Report by N. P.: "The Popularity of Seselj and Kostunica Rising"]

[Excerpts] As POLITIKA has unofficially learned, two opinion polls have recently been carried out in Serbia concurrently. The results show that, in comparison to the elections last December, the popularity of the Serbian Radical Party and the Democratic Party of Serbia is rising and that of the Socialist Party of Serbia falling. The popularity of all other parties is stagnating. If elections were to be held in five months, and if the present trend were to remain the same, the Serbian Radical Party would be the most serious challenger to the ruling party, and a coalition with the Democratic Party of Serbia would secure an absolute majority.

According to the first of the two polls, based on a sample of 1,600 people, the Socialist Party of Serbia currently enjoys the support of 23.7 percent of adult citizens of Serbia, the Serbian Radical Party 17.5 percent, the Democratic Party of Serbia 9.1 percent, the Serbian Renewal Movement 8.5 percent, the Democratic Party 7.5 percent, and other parties 4.8 percent. According to the poll, of the total number of voters, 25.2 percent are undecided, while 14.2 percent would not vote at all. [passage omitted]

According to the second poll, which was also carried out by a local agency, the results are somewhat different. The Socialist Party of Serbia is supported by 28.1 voters, the Serbian Radical Party by 11.4 percent, the Democratic Party by 7.2 percent, the Democratic Party of Serbia by 6.9 percent, and other parties all together by 5.5 percent of voters. About 22 percent of voters are undecided and 9.1 voters would not vote at all.

Although the results of these two agencies are different, the first one is considered to be more credible. According to this poll, the Serbian Radical Party, which was supported by 900,000 citizens at the last elections, could have more supporters than the so far untouchable Socialist Party of Serbia as early as next spring. If one takes into account the undecided voters, of whom there are 25 percent in the first poll and 20 percent in the second, then the election prospects of the Socialist Party of Serbia would even be worse. It is thought that the bulk of the undecided voters would be attracted by the two parties whose popularity is rising, that is, Seselj's Radicals and Kostunica's Democrats. If, for instance, elections were to be held in five months, the Serbian Radical Party could count on 20 to 21 percent of votes and the Democratic Party of Serbia on 14 percent of votes. If one is to add to this the undecided voters, Seselj's party could win 30 percent and the Democratic Party of Serbia 20 percent of the vote. If these to parties were to form an alliance, they could have absolute majority in the parliament. [passage omitted]

Prime Minister Reports Soaring Inflation Curbed

LD2109123493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1115 GMT 21 Sep 93

[Text] Trstenik, 21 Sep (TANJUG)—Nikola Sainovic, prime minister of the Republic of Serbia, said in Trstenik today that the government's measures have managed to curb a 2000-percent inflation rate.

We knew that the curbing of such soaring inflation would result in shortages. The price has been paid in shortages, but, in order to protect consumers we had to resort to emergency measures, Sainovic said. While this process is underway, we are preparing the second part of the program, aimed at balancing parity and boosting production.

Speaking about the procurement of necessary medicines, Sainovic underlined that emergency measures are also being applied regarding the importation of raw materials

for the production of medicines, but that the greatest obstacle is administrative difficulties related to the acquisition of the necessary permits.

Sainovic also announced new measures in the area of monetary policies and financial control because, he said, certain negative trends are still visible on the financial market and are generating inflation.

U.S. Congressman Accused of Lying About Talks

AU2209074493 Belgrade NEDELJNA BORBA in Serbo-Croatian 18-19 Sep 93 p 5

[Article by S. Zelenbaba: "TANJUG Claims the Congressman Is Lying"]

[Text] The news that "the young correspondent of the clandestine radio station" (Veran Matic, the No. 1 man of Radio B-92), in conversation with U.S. Congressman Frank McCloskey allegedly said that Belgrade should be bombed, has, in the past two days, taken on the proportions of a real case.

First, Serbian Information Minister Milivoje Pavlovic said at a news conference he was attending that unfortunately, Serbian journalists were spreading major untruths about Serbia right in the middle of Belgrade. This was in no way connected to the topic of the news conference. According to the press, Minister Pavlovic said that today, via TANJUG, news had come from the United States that a colleague of ours from Radio B-92 had joined the infamous pursuit of the world which was calling for the bombing of Serbian positions in Bosnia, but also of the Serbs in Serbia.

Radio B-92 reacted immediately. In their prime time newscast at 1700 [1500 GMT], the studio announcer assessed this statement by Minister Pavlovic as yet another attack on Radio B[illegible]t was held against the minister that he had ven[illegible]to comment on TANJUG's information withou[illegible]examining it.

"We wish to express great surprise and even greater regret at the fact that you have ventured to comment on the 'quotation' in this piece of news, without first examining the facts at the disposal of Radio B-92," states the letter of the deputy editor in chief Sasa Mirkovic, addressed to Minister Pavlovic.

Matic himself denied this from the United States, and claimed quite the opposite, that in his numerous meetings he had always opposed the idea of bombing, because—so he claims—he is an extreme pacifist, just like the radio station of which he is editor in chief.

Moreover, I called for the lifting of sanctions, said Matic, because they are counter-productive, and are exclusively hitting the people and not the authorities.

Denying allegations made by McCloskey, Matic said: "It was my intention to convey these stances to the most extremist and most active congressmen, so that they could modify their policy. Unfortunately, that did not happen in Congressman McCloskey's case. He fabricated and completely changed my stances, and transformed them into a support for his completely erroneous policy. I have informed him of this in a letter of protest today."

After this, Congressman McCloskey denied to TANJUG's correspondent: "In talks with me Mr. Matic did not say anything about bombing Belgrade, he rather strived for the lifting of the sanctions against Serbia. Neither did Matic call for the bombing, nor did I say so, therefore, all such reports are false."

Yesterday, the TANJUG agency reacted to this statement by the congressman with a longish denial which claimed that the congressman "had lied on at least three occasions." The first time was when he claimed that Radio B-92 was a "clandestine or perhaps not so clandestine radio station." The second time was when he denied that which according to the minutes he had told TANJUG. (TANJUG claims that it has in its possession a shorthand report of the congressman's address to the House of Representatives). And the third time was when he accused others of publishing false reports.

In this text, TANJUG also informs Matic that "he should clear up with McCloskey whether he had called for bombing, sanctions, or perhaps something else during their conversation." TANJUG adds that it "cannot conduct an investigation as to whether McCloskey misinterpreted Matic or whether he quoted him!"

It would have been interesting to see what Minister Pavlovic had to say (again) in all this, but, unfortunately, he was busy attending a government session. We were advised to wait until Monday.

Repairs in Power Plants, Coal Mines To Start

93BA1441B Belgrade BORBA in Serbo-Croatian 23 Aug 93 p 20

[Article by V.P.M.: "The Repair Service Is Also in Need of Repair"]

[Text] Repairs in the Kostolac Thermal Power Plants and Coal Mines have begun more than a month late. The generating unit Kostolac B2, which was shut down in late July, was recently joined by the unit Kostolac B1. It is assumed that neither unit will go on line until mid-September because of regular annual repairs. Production has also been stopped on both units of the Drmno TE [Thermal Electric Power Plant].

The experts say that repairs are being done at a time when even the minimum preconditions do not exist for this job to be done properly before the coming winter. The warehouses of the thermal power plant do not have any reserve materials necessary for repair work. There is a chronic shortage of money, and hyperinflation totally devalues it, so that it is not possible to acquire what was planned. The datum that Kostolac still has not received

a single piece of the sheet metal it needs and which it ordered on time can serve as evidence that the situation is alarming. Only the most basic repairs will be done on the power plant's generating units, and insofar as possible this will be done with spare parts and materials manufactured in the country. Nevertheless, the Kostolac B2 Power Plant needs to replace pipe extensions from Poland.

The situation is also critical at the TE Kostolac A. The first-level air heater needs replacement, and because the beginning of repairs has been postponed several times, there is a time crunch. This is also confirmed by the datum that the domestic pipe manufacturer in Aleksinac is late, and Smederevo's Sartid 1912, which is supposed to assemble the heater packages, is also slowing down operations. If the most recent deadlines are met, repair at this power plant would be completed only at the end of September, and perhaps even in October.

The Kostolac Coal Mines are similarly troubled. Repairs have just begun in the Klenovnik field, and the draglines will be idle until October. That time will be used for replacement and movement of the mine rail lines as well as to repair Draglines 20 and 23. Even this repair, of course, depends upon acquiring replacement parts on time.

"Our machines are worn out, and it is getting more and more difficult to maintain them, especially when you realize that imported spare parts are hard to get. Nevertheless, I hope we will rush this repair through and be ready for winter," explains Milisav Tufegdzic, manager of the Klenovnik Strip Mine.

At the same time, repair work has ended in the Cirikovac field and production is expected to start up any day now. Nevertheless, all the repairs were not done. Repair work has been started, but not completed on Dragline 23. Repair parts have been acquired, and it is expected to go into operation in mid-September. At about that same time, the repair of Dragline 14 is supposed to begin.

"We have come to the end of repairs, to be sure, on a restricted scale. In the mine itself, the situation is normal and there are no very essential technological undertakings," reports Ljubinko Jovanovic.

They also are afraid of the coming winter at Kostolac. There is still a great deal of work ahead of them when there is a shortage of money, materials, and spare parts. In addition to the work on the draglines we have mentioned, a conveyor belt has to be moved from the external to the internal piling area, and there is also the project of setting up another conveyor and system of conveyors in order to increase the outflow of broken coal at the Drmno Strip Mine.

This gloomy picture is rounded out by figures that come from the motor pool, which is unable to furnish transportation to the draglines for the miners, but rather they walk to work, thereby losing both in time and in organization of the work. What is called field transportation is the most threatened. The 20 or so vans which use gasoline as a fuel have been standing in the parking lot for more than five months. Diesel engines are at their last gasp because there are no spare parts.

"The biggest trouble is with tires, brakes, transmissions, and engines. There have been requests to install diesel engines in what were previously gasoline-engine models, but we have neither the engines nor the money. Foreign-make vehicles have a particularly uncertain destiny," says Mladen Osokoljic, assistant manager, with concern.

Nor has reliance on domestic producers of replacement parts and equipment brought relief, because it has turned out that 14 Oktobar of Krusevac is not able to provide replacement parts for bulldozers, loaders, and lift trucks.

Were that not the case, the figures on coal production and production of power in the first seven months of this year would have been encouraging. Both generating units of the TE Kostolac A produced more than 408.5 million kilowatt-hours [kwh], or 5 percent more than was planned. At the neighboring Kostolac Thermal Electric Power Plants in Drmno, the two units generated an output of 1,428 million kwh of "Tesla's invention."

[Box, p 20]

A Truck of Sheet Metal for Electric Power

"I think this summer is decisive for maintaining mining machinery, both because of the spare parts that are lacking and also because of the chronic shortage of money. It sounds banal, but we do not have money to buy four tons of coal so that after the repair we could start up the system of conveyors at the Drmno Strip Mine. The fact that the Smederevo Steel Mill almost overpaid for the power it received with a truck of sheet metal best illustrates perhaps the price disparity between electric power rates and the materials we need," says Zivorad Jeremic, director of production, repair, and assembly.

Montenegro

Lekic Says No Danger of Federation Splitting

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[Text] Rome, 21 Sep (TANJUG)—Miodrag Lekic, the foreign affairs minister of Montenegro, who today ended his visit of several days to Italy, told the semi-official news agency ANSA that "there was no danger of Montenegro and Serbia separating or rather of the Yugoslav Federation disintegrating."

"It is no coincidence that Montenegro has chosen to remain in the federation. Centuries-long togetherness and historical solidarity are what Montenegro shares with Serbia," Lekic stressed, and went on to add that "this does not, however, mean that Montenegro has

renounced its autonomy. Serbia's respect for our autonomy is a basis for good relations between the two republics."

Lekic described the economic and welfare situation in Montenegro as "catastrophic," and went on to stress that Montenegro economy was "much weaker than Serbia's," and that as a result "Montenegro is more adversely affected by the international sanctions."

Lekic stressed that the tense economic and social situation was conducive to dangerous activities by extremists and criminals, and went on to add that the international community should take measures to "help and encourage democratic forces."

To illustrate that the international community has failed to understand or does not care about this, Lekic cited the case of a request by Montenegro to the United Nations for a license to export certain amounts of aluminum to earn foreign currency, to buy food and medicine for the population. According to Lekic, the fate of the request remains unknown.

Lekic drew attention to the fact that humanitarian aid from outside, including even items exempt from sanctions, was either reaching Montenegro with a long delay, or was prevented from reaching it at all.